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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ALABAMA

UNITED STATES OF AMERICA,

Plaintiff,

KOPPERS INDUSTRIES, INC.

Defendant.

CONSENT DECREE

Civil Action No:

CV-03-c-97-S

ENTERED

APR 7 2003

CONSENT DECREE

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I. BACKGROUND

A. The United States of America filed a Complaint acting on behalf of the United States Environmental Protection Agency ("EPA") alleging various claims against Koppers Industries, Inc. ("KII"). The United States' claims are brought pursuant to the Federal Clean Water Act, 33 U.S.C. § 1301 et seq. (CWA), Resource Conservation and Recovery Act, 42 U.S.C., § 6901 et seq. (RCRA) and the Clean Air Act, 42 U.S.C. § 7401 et seq. (CAA) and seek the imposition of civil penalties and injunctive relief pursuant to the authorities cited therein.

B. KII is a corporation organized and existing under the laws of Pennsylvania.

C. Prior to the filing of the Complaint, the United States and KII engaged in negotiations to resolve environmental compliance issues at the KII Facilities.

D. Without admitting to any issue of fact or law, KII and the United States agree that settlement of the matters set forth in the Complaint in accordance with the Consent Decree is in the best interests of the Parties and the public, and that entry of the Consent Decree without litigation is the most appropriate means of resolving the claims in the Complaint.

E. The Parties recognize, and the Court by entering the Consent Decree finds, that the Consent Decree has been negotiated in good faith, and that the Consent Decree is fair, reasonable and in the public interest.

F. Notice of this action has been given to the affected states pursuant to Section 309(a) of the CWA, 33 U.S.C. § 1319(a), and Section 3008(a) of (RCRA, 42 U.S.C. § 6928(a), and Section 113 of the CAA, 42 U.S.C. § 7413.

THEREFORE, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

II. JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this action and over the Parties pursuant to Section 309(b) of the CWA, 33 U.S.C. § 1319(b), Section 3008 of RCRA, 42 U.S.C. § 6928, Section 113 of the CAA, 42 U.S.C. § 7413, and 28 U.S.C. §§ 1331, 1345 and 1355.

2. Venue is proper in the Northern District of Alabama pursuant to Section 309(b) of the CWA, 33 U.S.C. § 1319(b), Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), Section 113(b) of the CAA, 42 U.S.C. § 7413(b), and 28 U.S.C. §§ 1391 and 1395(a). The Complaint states a claim upon which relief may be granted.

III. BINDING EFFECT

3. This Decree shall apply to, and be binding upon, KII and its successors and assigns, jointly and severally, and to the United States of America. KII certifies that its undersigned representatives are fully authorized to enter into the terms and conditions of this Consent Decree, to execute it on behalf of KII, and to legally bind KII to its terms.

4. KII agrees to be bound by this Decree and not to contest its validity in any subsequent proceeding to implement or enforce its terms.

5. Except as provided in Paragraphs 10, 14 and 15, infra, no change in ownership or corporate or other legal status including, but not limited to, any transfer of assets or property, shall alter KII's responsibilities under this Decree. Further, except as provided in Paragraphs 10, 14 and 15, the sale or transfer of ownership or operation of any Facility will not relieve KII of its obligations under this Decree, unless this Decree is modified pursuant to Part XIX (Modification)

to reflect such a change. No later than 30 days prior to sale or transfer of ownership or operation of any Facility, KII shall give written notice of this Decree to each purchaser or successor in interest. Upon such sale or transfer, KII shall provide a copy of this Decree to each such purchaser or successor in interest. Further, KII shall notify in writing the United States Department of Justice (DOJ) and EPA of such purchaser or successor in interest at least 30 days prior to any sale or transfer. In the event KII should desire to sell or transfer the ownership of a Facility, and the third-party compliance audit described in Paragraphs 20 through 34, infra, has not been conducted, KII shall ensure that the compliance audit is conducted prior to such transfer. Any non-compliance identified in the audit report shall be corrected in accordance with Paragraphs 29 and 30 of this Decree.

6. KII shall provide a copy of this Decree to each contractor retained to perform any activity required by this Decree. In any action to enforce this Consent Decree, KII shall not raise as a defense the failure by any of its agents, servants, contractors, employees, successors or assigns to take actions necessary to comply with this Decree, except as provided in Part XII (Force Majeure).

IV. OBJECTIVES

7. It is the purpose of the Parties in entering this Decree to further the objectives of the CWA, RCRA and CAA. All plans, studies, construction, maintenance, monitoring programs, and other obligations in this Decree or resulting from the activities required by this Decree shall have the objective of causing KII to come into compliance expeditiously, and remain in full compliance with the CWA, RCRA and CAA, and other applicable State law.

V. DEFINITIONS

8. Unless otherwise defined herein, terms used in this Decree shall have the meaning given to those terms in the CWA, RCRA and CAA and the regulations promulgated thereunder.

Area of concern shall mean any area identified during the course of an audit that, though it does not constitute non-compliance, in the auditor's judgment, merits further review or evaluation by KII for environmental or regulatory impacts.

Audit Findings shall mean a written summary prepared by the Compliance Auditor of all instances of noncompliance with Environmental Requirements required by this Decree including, but not limited to, citations to the specific state and federal regulations that were violated and the duration of each violation.

Compliance Auditor shall mean the independent third-party auditor(s) selected by KII to conduct an environmental compliance audit of each of the Audit Facilities listed in Exhibit 6 who meets the requirements set forth in Paragraph 22 of the Decree.

CAA shall mean the Clean Air Act, 42 U.S.C. §§ 7401 et seq.

CWA shall mean the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq. (also known as the Clean Water Act).

Day shall mean a calendar day unless expressly stated to be a business day. Business day shall mean a day other than a Saturday, Sunday, or Federal Holiday. In computing any period of time under this Decree, where the last day would fall on a Saturday, Sunday, or Federal Holiday, the period shall run until the end of the next Business day.

Decree shall mean this Consent Decree and all appendices, attachments and/or exhibits and incorporated plans and any legally-made modifications hereto. In any conflict or

discrepancy between language in the body of the Decree and any appendix or attachment thereto, the language in the body of the Decree shall control.

Defendant shall mean Koppers Industries, Inc. or KII, a corporation organized and existing under the laws of Pennsylvania.

Environmental Impacts shall mean any change to the environment, whether adverse or beneficial, wholly or partly resulting from KII's activities, products, or services.

Environmental Management System (EMS) shall mean the comprehensive corporate-wide environmental management system required by and detailed in Paragraphs 9 - 12 of this Decree.

EMS Auditor shall mean the independent third-party auditor(s) selected by KII to conduct environmental management system audits at the Facilities listed in Exhibits 4 and 5 who meets the requirements set forth in Paragraphs 17 and 18 of the Decree.

Environmental Requirements shall mean all applicable federal, state, and local environmental statutes and regulations, including permits and enforceable agreements between KII and the respective environmental regulatory agencies, with the exception of corrective action orders or the corrective action portion of permits issued under RCRA, 42 U.S.C. §§ 6921 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984, or response actions being conducted under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq.

EPA shall mean the United States Environmental Protection Agency, and any successor departments or agencies of the United States.

Facility or Facilities shall mean one or more of the facilities listed in Exhibits 3 through 6, which are incorporated by reference into this Decree.

KII refers to Koppers Industries, Inc. its successors and assigns.

Koppers Audit Policy (KII-SHE-003) shall mean the KII corporate policy detailing the conduct of audits included in the SH&E Management System Manual. The Koppers Audit Policy is attached hereto as Exhibit 7.

Koppers Management Review Policy (KII-SHE-001) shall mean the KII corporate policy detailing the specific management review functions referenced in the SH&E System Manual. The KII Management Review Policy is attached hereto as Exhibit 2.

Paragraph(s) shall mean a paragraph or paragraphs of this Decree numbered with arabic numerals, including all subparagraphs contained therein.

Part shall mean a portion of this Decree identified by an upper case roman numeral.

Parties shall mean the United States and/or EPA, and KII and its successors and assigns.

RCRA shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. (also known as the Solid Waste Disposal Act).

Release shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, seeping, leaching, dumping, placing, or disposing into the environment.

SH&E Management System Manual shall mean, for purposes of this Decree only, the Koppers Safety, Health and Environmental Management System Manual effective 8/30/02 (and any future revisions thereto that the Parties agree upon). A copy is attached as Exhibit 1. KII

may modify the SH&E Management System Manual, but those modifications shall not govern this Decree, unless EPA consents in writing to the modifications.

Submittal shall include any work plan, report, progress report, or any other written document KII is required by this Decree to send to EPA.

Violation(s) shall mean actions, omissions, failures, or refusals to act by KII that result in a failure to meet the terms and conditions of this Decree or applicable law.

Work shall mean any activity KII must perform to comply with the requirements of this Decree.

VI. ENVIRONMENTAL MANAGEMENT SYSTEM IMPLEMENTATION

9. KII has developed a corporate-wide Environmental Management System (EMS), elements of which are documented in its SH&E Management System Manual. The purpose of KII's corporate-wide EMS is to promote compliance with all environmental requirements, achieve pollution prevention, and accomplish pollution reduction.

10. KII shall fully implement its corporate-wide EMS according to the SH&E Management System Manual, appended hereto as Exhibit 1, at all KII Facilities listed in Exhibit 3 within twenty-four (24) months after this Decree is entered by the Court. However, in the event KII no longer has ownership interest or operational control at a Facility listed in Exhibit 3, KII shall notify EPA in writing and provide supporting documentation of the transaction, including copies of the documents effecting the transfer. KII, thereafter, shall no longer be obligated to perform the requirements contained in this Part of this Decree for that Facility.

11. Every six (6) months, within 30 days after the last day of June and December of each calendar year, KII shall submit a corporate-wide EMS implementation progress report and

schedule to EPA. KII shall submit the first report on the first reporting period that occurs after the entry of the Decree. KII shall submit a final report within thirty-six (36) months after this Decree is entered by the Court. The progress reports shall include any agreed to revisions to the SH&E Management System Manual made during the reporting period.

12. KII shall collect and report on an annual basis to EPA data on the monthly environmental performance statistics set forth in this paragraph for each KII Facility listed in Exhibit 3. KII shall report this data, beginning with data collected after the entry of this Decree, in the first implementation progress report required by Paragraph 11 and annually thereafter.

Hazardous waste generated (operations, tank cleaning, corrective action
(remediation))

Natural resource use (electric, natural gas, oil/petroleum)

Recycling (water, solid waste)

Incidents (releases, permit exceedances, reports not submitted or submitted late,
odor complaints (external), noise complaints (external)).

VII. AUDITING PROVISIONS

General Provisions

13. KII shall conduct EMS audits and Environmental Compliance audits at the .
Facilities listed in Exhibits 3-6 as further specified below.

14. However, in the event KII no longer has ownership interest or operational control at a Facility listed in Exhibit 3, within thirty (30) days, KII shall notify EPA in writing and provide supporting documentation of the transaction, including copies of the documents effecting

the transfer. KII, thereafter, shall no longer be obligated to perform the requirements contained in Paragraph 16 of this Decree for that Facility.

15. Further, in the event that a Facility listed in Exhibit 3 has been placed on standby for a period of six (6) months or longer, or shut down, within thirty (30) days, KII shall notify EPA in writing and provide supporting documentation. KII, thereafter, shall no longer be obligated to perform the requirements contained in Paragraph 16 of this Part (relating to EMS Auditing) for that Facility, unless KII resumes operations during the pendency of this Decree at that Facility. In the event KII resumes operation during the pendency of this Decree, KII shall perform the obligations set forth herein forthwith.

Environmental Management System Audits

16. KII shall develop and implement an EMS audit program in accordance with the requirements of Exhibit 1 (SH&E Management System Manual) and Exhibit 7 (Koppers Audit Policy (KII-SHE-003)), to assess whether an effective EMS is being implemented at each KII Facility listed in Exhibits 4 and 5 and to identify any Areas of Concern. An initial EMS audit at each Facility listed in Exhibit 4 (Group 1 EMS Audit Facilities) shall be completed no later than twelve (12) months after this Decree is entered by the Court. A followup EMS audit at each Facility listed in Exhibit 4 (Group 1 EMS Audit Facilities) shall be completed between twelve (12) months and thirty-six (36) months after the previous audit. An EMS audit at each Facility listed in Exhibit 5 (Group 2 EMS Audit Facilities) shall be completed no later than (24) months after entry of this Decree.

17. KII shall select third-party EMS Auditors to conduct the EMS audits required by Paragraph 16. The EMS audits will evaluate whether the Facility has created and implemented

an EMS that meets the requirements of ISO 14001 and the requirements contained in the SH&E Management System Manual. All EMS Auditors shall: (1) be certified to conduct ISO 14001 registration audits by the U.S. Registrar Accreditation Board; (2) have expertise and competence in the applicable environmental requirements; (3) have at least attained a bachelor's degree at an accredited institution; (4) not be employees or former employees of KII, nor own any stock in KII or in any parent or subsidiary, nor have a financial stake in the outcome of the EMS audits conducted under the provisions of this Decree; and (5) be capable of exercising independent judgment and discipline. If KII has ever had any contractual relationship with any of the EMS Auditors, KII shall disclose to EPA each contractual relationship. KII shall have a continuing obligation of disclosure during the pendency of this Decree.

18. (a) Within thirty (30) calendar days of entry of this Decree, KII shall provide in writing: (1) the name, affiliation, and address of any third-party EMS Auditor selected by KII to conduct the EMS audits required by Paragraph 16; and (2) a demonstration that the selected EMS Auditor(s) satisfies the requirements of Paragraph 17 above. If EPA determines that the proposed EMS Auditor does not meet the qualifications set forth in the previous paragraph, or that a past or existing relationship with the EMS Auditor would affect the EMS Auditor's ability to exercise the independent judgment and discipline required to conduct the EMS audits, EPA reserves the right to disapprove the EMS Auditor and another EMS Auditor shall be proposed by KII for approval by EPA within sixty (60) calendar days of KII's receipt of EPA's disapproval, or such other time as EPA and KII may agree upon.

(b) If, at any time, KII wishes to hire a new EMS Auditor, KII shall notify EPA in writing with an explanation for the change. Any subsequent EMS Auditor must satisfy the

qualification requirements of Paragraphs 17 and 18(a). EPA reserves the right to disapprove any EMS Auditor. If EPA disapproves an EMS Auditor, KII shall select another EMS Auditor within sixty (60) calendar days of KII's receipt of EPA's disapproval, or at such other time as EPA and KII may agree upon. In the event that EPA requires more than thirty (30) days to disapprove an EMS Auditor under this Paragraph, the time frames for actions by KII imposed under Paragraph 16 shall be extended pro tanto. Timely disapproval of an EMS Auditor shall not entitle KII to an extension of time under this Paragraph.

19. KII shall include in the progress report required by Paragraph 11 copies of the EMS audit reports and corresponding corrective actions for EMS audits conducted during that reporting period. KII shall not claim confidential treatment under EPA or U.S. Department of Justice regulations for any information disclosed in an audit report unless that information consists of trade secrets, or proprietary commercial information relating to cost, price or production volume. If KII seeks to claim as confidential such information disclosed in an audit report, KII shall highlight that information wherever it appears, and that claim shall be subject to EPA regulations under 40 C.F.R. Part 2. Nothing in this paragraph shall prevent the United States from submitting information containing alleged trade secrets to the Court under seal.

Independent Third-Party Compliance Audit Program

20. KII shall conduct an independent third-party compliance audit to assess KII's compliance at each KII Facility listed in Exhibit 6 (Compliance Audit Facilities). The compliance audits shall be completed within twenty-four (24) months from the date of entry of the Decree. KII shall retain a Compliance Auditor(s) to conduct an environmental compliance

audit at each of its facilities listed in Exhibit 6 (Compliance Audit Facilities) in accordance with this Part and the schedule set forth in Exhibit 6 (Compliance Audit Facilities).

21. Purpose and Scope of the Compliance Audit. The purpose and scope of the compliance audits is to determine compliance of the audited facilities with the Environmental Requirements and to identify any Areas of Concern. Each Facility will be audited once. The compliance audits shall include a multimedia assessment of each Facility's compliance with the Environmental Requirements using EPA's Multimedia Investigation Manual (March 1992), NEIC's Process-Based Investigation Guide, (March 1997) and EPA's Storm Water Management for Industrial Activities: Developing Pollution Prevention Plans and Best Management Practices, (October 1992) as guidance. KII shall direct the Compliance Auditor to follow the provisions set forth in this Part. KII shall not, in any way, through its own actions or through the actions of others, interfere with the ability of the Compliance Auditor to independently carry out the audits in accordance with the provisions set forth in this Part.

22. (a) Selection of the Compliance Auditor(s). Within thirty (30) calendar days of the lodging of this Decree, KII shall propose to EPA for approval the selection of and credentials for one or more Compliance Auditors that: 1) have expertise and competence in the applicable environmental requirements; and 2) meet the requirements of ISO 14012 (First Edition, 1996-10-01), except for the requirements contained in Clauses 4(d), 5.1(d) and 9(d) related to environmental management systems. The Compliance Auditor may meet the requirements of clause 5.2 concerning "the supervision and guidance of the lead auditor" and clause 8 concerning "participation as acting lead auditor" by demonstrating equivalent experience in leading and supervising compliance audits. In addition, the Compliance

Auditor(s) does not have to be certified under ISO 14012. The Compliance Auditor will be paid by KII in an amount sufficient to fully carry out the provisions of this Decree related to the Compliance Audit. The Compliance Auditor must not be an employee or former employee of KII, must not directly own any stock in KII or in any parent or subsidiary, and must have no direct financial stake in the outcome of the environmental compliance audits conducted under the Compliance Audit provisions of this Decree. The Compliance Auditor must be capable of exercising independent judgment and discipline. If KII has ever had any contractual relationship with the Compliance Auditor, KII immediately shall disclose to EPA each contractual relationship. KII shall have a continuing obligation of disclosure of such contractual relationships during the pendency of this Decree. EPA will notify KII in writing of its approval or disapproval of KII's proposal for a Compliance Auditor. If EPA determines that the proposed Compliance Auditor does not meet the qualifications set forth in this paragraph, or that past or existing relationships with the Compliance Auditor would affect the Compliance Auditor's ability to exercise the independent judgment and discipline required to conduct the compliance audits, such Compliance Auditor shall be disapproved and another Compliance Auditor shall be proposed by KII for approval by EPA within sixty (60) calendar days of KII's receipt of EPA's determination, or such other time as EPA and KII may agree upon. The Compliance Auditor shall not begin work without EPA approval.

(b) Replacement of Compliance Auditor(s). If, at any time, KII wishes to contract a new Compliance Auditor, KII shall notify EPA in writing with an explanation for the change and propose another Compliance Auditor for EPA approval. Any subsequent Compliance Auditor must satisfy the qualification requirements of Paragraph 22(a). EPA will notify KII in

writing of its approval or disapproval of KII's proposal for a new Compliance Auditor. If EPA disapproves, KII shall submit the name of another Compliance Auditor within sixty (60) calendar days of KII's receipt of EPA's disapproval, or such other time and EPA and KII may agree upon.

23. Time frames for Approval. If EPA requires more than thirty (30) days to approve or disapprove a Compliance Auditor under Paragraph 22 above, the time frames for actions by KII imposed under this Part shall be extended pro tanto. Timely disapproval of a Compliance Auditor shall not entitle KII to an extension of time under this Paragraph or Paragraph 22 above.

24. Training of Compliance Auditor(s). KII shall identify all site-specific training requirements for the Compliance Auditor so s/he can complete such training, and effectively and safely conduct the required audits at each Facility. KII shall verify that the Compliance Auditor's training is completed before any audit is conducted pursuant to this Decree. KII shall provide a copy of this Decree to each Compliance Auditor who is retained to carry out any of the provisions of the compliance audits required by this Decree before the Compliance Auditor begins work.

25. Changes in Schedule. Changes to the schedule in Exhibit 6 (Compliance Audit Facilities) may be made only by written approval from EPA.

26. Audit Reports. KII shall direct the Compliance Auditor to develop and submit an Audit Report to EPA and KII for each environmental compliance audit conducted at each Facility as required by this Decree within sixty (60) days of completion of the on-site portion of

the audit at each respective Facility. Each Audit Report shall present the audit findings at a Facility, and shall, at a minimum, contain the following information:

- a. Audit scope, including the period of time covered by the audit and each statutory and regulatory cite for which environmental compliance was determined;
- b. The date(s) the on-site portion(s) of the audit was conducted;
- c. Identity of audit team members;
- d. Identity of the KII representatives and regulatory agency personnel, if any, observing the audit;
- e. A summary of the audit process, including any obstacles encountered;
- f. A summary of the audit findings of noncompliance, including statutory and regulatory requirements violated and the dates of the noncompliance;
- g. A detailed explanation of the basis for the audit findings;
- h. Identification and description of any corrective measures taken during the audit;
- i. Recommendations to prevent the noncompliance(s) from recurring;
- j. Identification and description of any Areas of Concern; and
- k. Certification by the Compliance Auditor that the audit was conducted in accordance with the provisions of this Part.

27. Additional Time. If the Compliance Auditor believes that additional time is needed to analyze available information or to gather additional information, KII and/or the Compliance Auditor may request in writing that EPA grant the Compliance Auditor such additional time as needed to prepare and submit an Audit Report. Any additional time granted by EPA shall be in writing.

28. Objections. After KII receives an Audit Report submitted to EPA pursuant to Paragraph 26, KII may submit an objection to EPA concerning any finding in the Audit Report. KII shall identify all instances of non-compliance that KII disputes and shall explain in detail the basis for KII's objection.

29. Correction and Remediation. KII shall correct all instances of noncompliance identified in an Audit Report within sixty (60) days after issuance of the Audit Report. EPA may agree in writing to an extended compliance schedule for any instances of noncompliance which EPA determines cannot be corrected within the sixty (60) day period. KII shall submit any request for an extended compliance schedule to EPA for its approval prior to the expiration of the sixty (60) day time period above along with a justification and a proposed implementation schedule to obtain compliance. EPA retains the authority to order KII to correct any instances of noncompliance within a specific time period shorter than sixty (60) days whenever correction in such shorter period of time is necessary to protect public health and the environment. Within seventy-five (75) calendar days from issuance of an Audit Report, KII shall certify to EPA in writing that the instances of noncompliance have been corrected. Nothing contained in this Decree shall prevent KII from taking any measures to correct instances of noncompliance identified by the Compliance Auditor during the audit. Such corrected noncompliance shall be noted in the Audit Report.

30. Prevent Recurrence. KII agrees to take steps to prevent a recurrence of any instance of noncompliance discovered through the Compliance Audit. KII shall identify such steps in writing to EPA in the certification provided to EPA in Paragraph 29.

31. Confidentiality of Audit Information. KII will not claim confidential treatment under EPA or U.S. Department of Justice regulations for any information disclosed in an audit report unless that information consists of trade secrets or proprietary commercial information relating to cost, price or production volume. If KII seeks to claim as confidential such information disclosed in an audit report, KII shall highlight that information wherever it appears, and that claim shall be subject to EPA regulations under 40 C.F.R. Part 2. Nothing in this paragraph shall prevent the United States from submitting such information to the Court under seal.

32. Civil Penalties Resulting from Audit Findings. If an Audit Report identifies past or present noncompliance with any Environmental Requirements at a KII Facility, EPA may assess penalties for such noncompliance in accordance with EPA's *Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations*, 65 Fed. Reg. 19618 (April 11, 2000 or most recent version in effect) ("Audit Policy"). Solely for purposes of calculating a civil penalty under this Part, non-compliance identified in a timely submitted audit report will be deemed to meet the following provisions of the Audit Policy: Conditions D.1, D.2 (relating to discovery through a comprehensive EMS system or audits), and D.3 (relating to prompt disclosure). Furthermore, for purposes of Conditions D.4.b, and D.7 of the Audit Policy, the violations alleged in the Complaint will not be considered part of a pattern at multiple facilities that would preclude the availability of the Audit Policy for later discovered and disclosed violations at other facilities. Condition D.7 of the Audit Policy will be deemed satisfied with respect to a violation that is the same as or related to one found during a previous audit under

this Decree at a different facility, if KII used reasonable efforts to identify, disclose and correct such violations.

33. Payment of Civil Penalty Resulting from Audit Findings. If KII agrees with the amount of EPA's demand for a civil penalty, KII and EPA shall memorialize such agreement in an administrative Consent Agreement and Final Order, to be entered into simultaneously with EPA's issuance of an administrative complaint, or other appropriate agreement as the Parties may determine; and KII shall pay the agreed upon civil penalty within the time frame specified therein and in accordance with Part XI, infra.

34. If KII and EPA are not able to reach agreement regarding the appropriateness of the civil penalty demanded, it shall not be subject to dispute resolution or stipulated penalties and the United States and EPA retain all authority and reserve all rights to take any and all actions authorized by law to address the Audit Findings, and KII reserves its defenses (including any defenses it may have to the factual or legal bases to the relevant Audit Findings). In the event the Parties cannot reach agreement regarding the appropriateness of a civil penalty, the penalty provisions described above in Paragraph 32 shall not be binding upon the United States or EPA, should either exercise enforcement rights outside the scope of this Decree to address the Audit Findings. In addition, in the event the Parties are not able to agree on the appropriateness of a civil penalty, the Audit Policy will not apply to any Audit Finding identified in Paragraph 26 above. Further, EPA retains the right to move the Court for imposition of penalties for any noncompliance with environmental statutes identified in the Audit Findings. The period of time between December 1998 and ninety (90) days after the Compliance Auditor has submitted the Audit Report to KII and EPA for an Audit Facility shall

not be included in computing the time limited by any statute of limitations or any other defense concerning the timeliness of an action (including laches) applicable to any cause of action that is pursued by the United States as a result of the audit conducted at that Audit Facility. KII shall not assert, plead or raise against the United States in any fashion, whether by answer, motion or otherwise, any defense or avoidance based on the running of any statute of limitation, during the aforementioned period, and any statute of limitations shall be tolled during and for that period.

VIII. CIVIL PENALTY

35. KII shall pay to the United States a civil penalty in the amount of \$2,900,000, plus interest at the rate established by the Secretary of the Treasury pursuant to 28 U.S.C. § 1961, with interest accruing as of March 15, 2002. KII shall pay this amount to the United States in three installments. The first installment of \$1,000,000, plus accrued interest on this amount, is due within 30 days of entry of this Decree. The second installment of \$1,000,000, plus accrued interest on this amount, is due within one year of entry of this Decree. The third installment of \$900,000, plus accrued interest on this amount, is due within two years of entry of this Decree.

IX. REPORTING

36. All correspondence, reports, and documentation required to be submitted by this Decree shall be sent in duplicate to the following addresses:

Rosemarie A. Kelley, Acting Director
Multimedia Enforcement Division
(Mail Code 2248-A)
Office of Regulatory Enforcement, U.S.E.P.A.
401 M Street, S.W.
Washington, D.C. 20460

Judy Marshall
Associate Regional Counsel
Environmental Accountability Division
U.S. EPA Region 4
61 Forsyth St. SE
Atlanta, GA 30303

and

Daren Vanlerberghe
National Enforcement Investigations Center
Building 53
P.O. Box 25227
Denver Federal Center
Denver, Colorado 80225

X. STIPULATED PENALTIES

37. KII shall be liable for stipulated penalties in the amounts set forth in this Part to the United States for failure to comply with the requirements of this Decree specified below, unless excused under Part XII (Force Majeure). "Compliance" shall include completion of the activities under this Decree, or any work plan or other plan approved under this Decree, in accordance with all applicable requirements of this Decree, and within the specified time schedules established by and approved under this Decree.

Compliance Milestones

38. (a) The following stipulated penalties shall accrue per violation per day for any failure to meet any of the requirements identified in Subparagraph b:

| <u>Penalty Per Violation Per Day</u> | <u>Period of Noncompliance</u> |
|--------------------------------------|--------------------------------|
| \$1,000 | 1st through 14th day |
| \$2,000 | 15th through 30th day |
| \$3,000 | 31st day and beyond |

(b) Stipulated penalties as provided above shall apply to KII's failure to do any of the following: fully implement the corporate-wide EMS, as required by Paragraph 10 of this Decree, at any KII facility; collect and report data on the monthly environmental performance statistics, as required by Paragraph 12 of this Decree; select appropriate EMS auditors, as required by paragraph 17 of this Decree; conduct EMS audits at any KII facility, as required by Paragraph 16 of this Decree; select appropriate compliance auditors, as required by Paragraph 22 of this Decree; conduct compliance audits at any KII facility, as required by Paragraph 20 of this Decree; or correct all instances of noncompliance identified in any Audit Report, as required by paragraph 29 of this Decree.

Reporting Requirements

39. The following stipulated penalties shall accrue per violation per day for any noncompliance with the reporting requirements of Parts VI (except for reporting monthly performance statistics in Paragraph 12), VII and IX of this Decree:

| <u>Penalty Per Violation Per Day</u> | <u>Period of Noncompliance</u> |
|--------------------------------------|--------------------------------|
| \$500 | 1st through 14th day |
| \$750 | 15th through 30th day |
| \$1,000 | 31st day and beyond |

40. The United States shall make a demand for stipulated penalties accruing for violations under this Decree, and such stipulated penalties shall be payable in accordance with the following Paragraphs. The United States may, in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due it under this Decree.

41. Notwithstanding the date of any demand for such penalties, pursuant to Paragraph 40, above, all stipulated penalties shall begin to accrue on the day after the performance is due or on the day a violation occurs, whichever is applicable, and shall continue to accrue until performance is satisfactorily completed or until the violation ceases. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Decree.

42. Penalties shall continue to accrue as provided in accordance with Paragraph 41 during any dispute resolution, with interest on accrued penalties payable and calculated at the rate established by the Secretary of the Treasury, pursuant to 28 U.S.C. § 1961, but need not be paid until the following:

a. If the dispute is resolved by agreement or by a decision of EPA that is not appealed to the Court, accrued penalties determined to be owing, together with accrued interest, shall be paid to the United States within thirty (30) days of the effective date of the agreement or the receipt of EPA's decision or order;

b. If the dispute is appealed to the Court and the United States prevails in whole or in part, KII shall, within sixty (60) days of receipt of the Court's decision or order, pay all accrued penalties determined by the Court to be owing, together with accrued interest, except as provided in Subparagraph c, below;

c. If the District Court's decision is appealed by any Party, KII shall, within fifteen (15) days of receipt of the final appellate court decision, pay all accrued penalties determined to be owing to the United States, together with accrued interest.

43. All stipulated penalties must be paid within thirty (30) days of the date payable. Any payment due pursuant to this Part shall be made in the manner set forth in Part VIII of this Decree (Civil Penalty), except that the transmittal letter shall also reference that payment is being made pursuant to this Paragraph.

44. Should KII fail to pay stipulated penalties in accordance with the terms of this Decree, the United States shall be entitled to collect interest on such penalties, as provided for in 28 U.S.C. § 1961, together with the costs (including attorneys fees) incurred in any action necessary to collect any such stipulated penalties or interest thereon.

45. Subject to the provisions of Part XV of this Decree (Effect of Decree), the stipulated penalties provided for in this Decree shall be in addition to any other rights, remedies, or sanctions available to the United States by reason of KII's failure to comply with any requirement of this Decree or applicable law.

XI. MANNER OF PAYMENT

46. (a) KII shall pay the Civil Penalty described in Paragraph 35 above to the U.S. Department of Justice account in accordance with current electronic funds transfer procedures, referencing the U.S.A.O. file number. The Financial Litigation Unit of the United States Attorney's Office for the Northern District of Alabama will provide instructions for payment after the Decree is lodged. At the same time payment is made, KII shall send notice of payment by first class mail to EPA, as provided in Part IX of this Decree. In addition, notice of payment of the civil penalty shall also be submitted to:

Chief
Environmental Enforcement Section
U.S. Department of Justice

P.O. Box 7611, Ben Franklin Station
Washington D.C. 20044
Re: DOJ # 90-5-1- 4502

(b) KII shall pay stipulated penalties described in Paragraphs 37 through 39 above, owing to the United States, by certified or cashier's check, as directed by the United States, in the amount due payable to the "U.S. Department of Justice," referencing DOJ No.90-5-1- 4502 and United States Attorney's Office file number [____], and delivered to the office of the United States Attorney, Northern District of Alabama, 200 Robert S. Vance Fed. Bldg., 1800 5th Avenue North, Room 200, Birmingham, Alabama 35203-2198.

47. If the civil and stipulated penalties provided for in this Decree are not timely paid, this Decree shall be considered an enforceable judgment for purposes of post-judgment collection of any unpaid amounts, and interest, in accordance with Rule 69 of the Federal Rules of Civil Procedure and other applicable federal or State authority. Interest shall accrue at the rate established by the Secretary of the Treasury pursuant to 28 U.S.C. § 1961. KII shall be liable for reasonable attorneys' fees and costs incurred by the United States to collect any amounts due under this Decree that were not timely paid by KII.

XII. FORCE MAJEURE

48. "Force Majeure," for purposes of this Decree, is defined as any event arising from causes beyond the control of KII, its contractors, or any entity controlled by KII that delays or prevents the performance of any obligation under this Decree despite KII's best efforts to fulfill the obligation. "Best efforts" include using best efforts to anticipate any potential Force Majeure event and to address the effects of any such event (a) as it is occurring and (b) after it has occurred, such that the delay is minimized to the greatest extent possible. "Force Majeure"

does not include KII's financial inability to perform any obligation under this Decree. "Force Majeure" also does not excuse timely compliance with all applicable statutes, regulations and permits.

49. If any event occurs or has occurred that may delay the performance of any obligation under this Decree, as to which KII intends to assert a claim of Force Majeure, KII shall provide notice in writing, as provided in Part IX of this Decree (Reporting), within seven (7) days of the time KII first knew of, or by the exercise of due diligence should have known of, the event. Such notification shall include an explanation and description of the reasons for the delay; the anticipated duration of the delay; a description of all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; and KII's rationale for attributing such delay to a Force Majeure event. Failure to comply with the above requirements shall preclude KII from asserting any claim of force majeure. KII shall be deemed to know of any circumstance of which KII, its contractors, or any entity controlled by KII knew or should have known.

50. KII shall have the burden of proving, by a preponderance of the evidence, that each event described in the preceding Paragraph was a Force Majeure event; that KII gave the notice required by the preceding Paragraph; that KII took all reasonable steps to prevent or minimize any delay caused by the event; and that any period of delay it claims was attributable to the Force Majeure event was caused by that event.

51. If the Parties agree that KII could not have prevented or mitigated any delay, or anticipated delay, attributable to a Force Majeure event by the exercise of due diligence, the

Parties shall stipulate to an extension of time for KII's performance of the affected compliance requirement by a period not exceeding the delay actually caused by such event. In such circumstances, the appropriate modification shall be made pursuant to Part XIX of this Decree (Modification), where the modification is a material modification to a term of this Decree (or a term in any Appendix to this Decree). In the event the Parties cannot agree, the matter shall be resolved in accordance with Part XIII of this Decree (Dispute Resolution). An extension of time for performance of the obligations affected by a Force Majeure event shall not, of itself, extend the time for performance of any other obligation.

XIII. DISPUTE RESOLUTION

52. Unless otherwise expressly provided for in this Decree, the dispute resolution procedures of this Part shall be the exclusive mechanism to resolve disputes arising under or with respect to this Decree. However, such procedures shall not apply to actions by the United States to enforce obligations of KII that have not been disputed in accordance with this Part.

Informal Dispute Resolution.

53. Any dispute that arises under or with respect to this Decree, except where otherwise expressly stated, shall first be the subject of informal negotiations. The period of informal negotiations shall not exceed (twenty) 20 days from the time KII sends the United States a written Notice of Dispute in accordance with Part IX of this Decree (Reporting), unless that period is modified by written agreement. Such Notice of Dispute shall state clearly the matter in dispute.

Formal Dispute Resolution.

54. If the Parties cannot resolve a dispute by informal negotiations pursuant to the preceding Paragraph, then the position advanced by the United States shall be considered binding unless, within ten (10) days after the conclusion of the informal negotiation period, KII invokes formal dispute resolution procedures by serving on the United States, in accordance with Part IX of this Decree (Reporting), a written Statement of Position on the matter in dispute, including any supporting factual data, analysis, opinion, or documentation, together with a statement indicating whether formal dispute resolution should proceed upon the administrative record.

55. The United States may serve on KII a Statement of Position, including any supporting factual data, analysis, opinion or documentation, together with a statement indicating whether formal dispute resolution should proceed upon the administrative record. Within thirty (30) days after receipt of the United States' Statement of Position, KII may submit a Reply.

56. If there is disagreement as to whether dispute resolution should proceed upon the administrative record, the Parties shall follow the procedures determined by the United States to be applicable. However, if KII ultimately appeals to the Court to resolve the dispute, the Court shall determine the applicable standard and scope of review, in accordance with Paragraph 60, below.

57. An administrative record of the dispute shall be maintained by EPA and shall contain all statements of position, including supporting documentation, submitted pursuant to this Part. That record, together with other appropriate records maintained by EPA or submitted

by KII, shall constitute the administrative record upon which the matter in dispute is to be resolved, when such resolution proceeds on the administrative record under this Part.

Resolution of Disputes

58. The Director of the Multimedia Enforcement Division, Office of Regulatory Enforcement, Office of Enforcement and Compliance Assurance, EPA, will issue a final decision resolving the matter in dispute. Where the dispute is accorded review on the administrative record under applicable principles of administrative law, the decision shall be upon the administrative record maintained by EPA pursuant to Paragraph 57, above. The decision of the Multimedia Enforcement Division Director shall be binding upon KII, subject only to the right to seek judicial review, in accordance with Paragraph 59, below.

59. The decision issued by EPA under Paragraph 58, above, shall be reviewable by this Court upon a motion filed by KII and served upon the United States within ten (10) days of receipt of EPA's decision. In addition to containing the supporting factual data, analysis, opinion, and documentation upon which KII relies, the motion shall describe the history of the matter in dispute, the relief requested, and any schedule within which the dispute must be resolved for orderly implementation of the Decree, as well as KII's position on whether the dispute should be resolved on the administrative record.

60. In any judicial proceeding pursuant to Paragraph 59, above, that is accorded review on the administrative record under applicable principles of administrative law, KII shall have the burden of demonstrating that the decision of the Multimedia Enforcement Division Director is arbitrary and capricious or otherwise not in accordance with law. Judicial review of such decision shall be on the administrative record compiled in accordance with this Part. In all

other disputes, the Court shall determine the appropriate standard and scope of review and any ambiguities shall be resolved in favor of resolution which furthers the objectives of this Decree .

61. The invocation of dispute resolution procedures under this Part shall not extend, postpone, or affect in any way any obligation of KII under this Decree not directly in dispute, unless the United States or the Court agrees otherwise. Except as provided in this Paragraph, stipulated penalties with respect to the disputed matter shall continue to accrue from the first day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in Paragraphs 59 and 60, above. However, if KII files a petition with the Court appealing the United States' position regarding a dispute from a corrective action finding in Paragraph 29 above, accrual of stipulated penalties shall be stayed from the date the matter is submitted to the Court for decision until the Court issues its decision on the dispute. In the event that KII does not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in Part X (Stipulated Penalties).

XIV. ACCESS AND INFORMATION GATHERING

62. Any authorized representative of EPA, including contractors retained by the Agency, upon presentation of credentials, shall have the right to enter any KII facility at any reasonable time, for purposes of monitoring compliance with the provisions of this Decree, including inspecting plant equipment and inspecting and copying records maintained by KII as required by this Decree. Nothing in this Decree shall limit the authority of EPA to conduct any inspections or tests under any applicable Federal or State law. In addition, upon request by the United States, KII shall provide all non-privileged information and documents reasonably calculated to lead to admissible evidence on the issue of compliance with this Decree. The

United States may request information in any form allowed by the Federal Rules of Civil Procedure (e.g., interrogatories, depositions, document requests), and KII shall respond as provided for and in the time frames imposed by the Federal Rules of Civil Procedure. The discovery rights provided in this paragraph are in addition to any other rights available in this Decree or other applicable law. Notwithstanding any provision of this Decree, the United States and EPA hereby retain all of their information gathering and inspection authorities and rights, including enforcement actions related thereto, under all applicable statutes or regulations. To the extent that such information is business confidential or proprietary, KII shall so advise such persons in writing, and 40 C.F.R. Part 2 procedures shall be followed.

63. KII shall permit such persons to inspect and copy all records, files, photographs, documents, and other writings, including all sampling and monitoring data, that pertain to activities undertaken pursuant to this Decree. To the extent that such information is business confidential or proprietary, KII shall so advise such persons in writing, and 40 C.F.R. Part 2 procedures shall be followed.

64. This Part in no way affects or reduces any rights of entry or inspection that the United States has under any law or regulation.

XV. EFFECT OF DECREE

65. This Decree resolves the civil claims of the United States for the violations alleged in the Complaint filed in this action through December 1998.

66. This Decree shall not be construed to prevent or limit the rights of the United States to obtain penalties or injunctive relief under the applicable federal or state laws, regulations, or permit conditions, except as expressly specified herein.

67. KII is responsible for achieving and maintaining complete compliance with all applicable federal, State and local laws, regulations, and permits. KII's compliance with this Decree shall be no defense to any action commenced pursuant to said laws, regulations, or permits.

68. This Decree does not limit or affect the rights of KII or of the United States against any third parties, not party to this Decree, nor does it limit the rights of third parties, not party to this Decree, against KII, except as otherwise provided by law.

69. This Decree shall not be construed to create rights in, or grant any cause of action to, any third party not party to this Decree.

70. The United States reserves any and all legal and equitable remedies available to enforce the provisions of this Decree, except as expressly stated herein.

XVI. FAILURE OF COMPLIANCE

71. The United States does not, by its consent to the entry of this Decree, warrant or aver in any manner that KII's compliance with any aspect of this Decree will result in compliance with provisions of the applicable federal or state laws, regulations, or permit conditions, except as expressly specified herein. Notwithstanding the United States' review and approval of any documents submitted to it by KII pursuant to this Decree, KII shall remain solely responsible for compliance with the terms of and this Decree and applicable federal or state laws, regulations, or permit conditions, except as expressly specified herein.

XVII. COSTS OF SUIT

72. Each Party shall bear its own costs and attorney's fees in this action. Except that, should KII subsequently be determined to have violated this Decree, then KII shall be

liable to the United States for any reasonable costs and attorney's fees incurred by the United States in any actions against KII for noncompliance with this Decree, and KII shall not be obligated to pay costs or fees associated with claims for Consent Decree violations on which KII prevailed.

XVIII. CERTIFICATION

73. Any notice, report, certification, data presentation or other document submitted by KII under or pursuant to this Decree, which discusses, describes, demonstrates, or supports any finding or makes any representation concerning KII's compliance or non-compliance with any requirement(s) of this Decree, with the exception of audit reports submitted by the EMS Auditor or Compliance Auditor, shall contain the following certification by a responsible corporate officer or duly authorized representative of KII:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Signature
Name
Title

A "responsible corporate officer" means a president, secretary, treasurer, or vice-president of KII in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation.

XIX. MODIFICATION

74. The terms of this Decree may be modified only by a subsequent written agreement signed by all the Parties. Where the modification constitutes a material change to any term of this Decree, it shall be effective only upon approval by the Court. The terms and schedules contained in Exhibits 1 through 7 of this Decree may be modified upon written agreement of the Parties without Court approval, unless any such modification effects a material change to the terms of this Decree or materially affects KII's ability to meet the objectives of this Decree. Nothing herein shall be deemed to alter the Court's power to enforce, supervise or approve modifications to this Decree.

XX. PUBLIC COMMENT

75. The Parties agree and acknowledge that final approval by the United States and entry of this Decree is subject to notice of the lodging of the Decree in the Federal Register, an opportunity for public comment, and consideration of any comments. The United States reserves the right to withdraw its consent to this Decree based on public comment received.

76. KII shall not withdraw its consent to this Decree during the period of governmental and judicial review between lodging and entry of this Decree, and hereby consent to entry of this Decree without further notice.

XXI. CONTINUING JURISDICTION OF THE COURT


77. The Court shall retain jurisdiction to enforce this Decree and to resolve disputes arising hereunder as may be necessary or appropriate for the construction or execution of this Decree.

XXII. TERMINATION

78. This Decree shall be terminated as set forth in this Part upon joint motion of the parties after all of the following have occurred:

- a. KII has completed all actions required by this Decree;
- b. KII has paid all monies and penalties due under this Decree;
- c. KII has submitted a certification to the United States that conditions above have been met; and
- d. The United States has concurred in writing with KII's contention that conditions have been met. If the United States disputes KII's contention, the Dispute Resolution provision of this Decree (Part XIII) shall be invoked and this Decree shall remain in effect pending resolution of the dispute by the parties or the Court.

Dated and entered this 7th day of April, 2003.



UNITED STATES DISTRICT JUDGE

WE HEREBY CONSENT to the entry of this Decree, subject to the public notice requirements of 28 C.F.R. § 50.7.

FOR THE UNITED STATES OF AMERICA:

12.26.02
DATE

Tom Sansonetti
Thomas L. Sansonetti
Assistant Attorney General
Environment and Natural Resources
Division
United States Department of Justice

1/14/03
DATE

Paul Wolfteich
Paul Wolfteich
Senior Counsel
Environmental Enforcement Section
Environment and Natural Resources
Division
United States Department of Justice

Alice Martin
United States Attorney

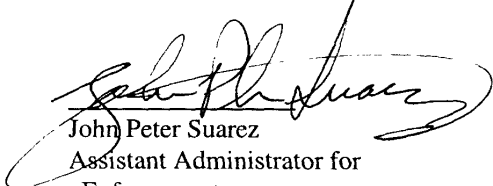
Of Counsel:

PETER W. MOORE, Esquire
JUDY MARSHALL, Esquire
United States Environmental Protection Agency

WE HEREBY CONSENT to the entry of this Decree, subject
to the public notice requirements of 28 C.F.R. § 50.7.

NOV 20 2002

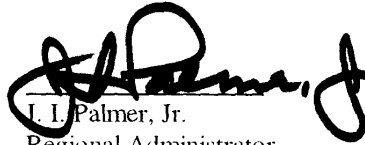
DATE



John Peter Suarez
Assistant Administrator for
Enforcement
U.S. Environmental Protection Agency
Washington, D.C.

WE HEREBY CONSENT to the entry of this Decree, subject
to the public notice requirements of 28 C.F.R. § 50.7.

DATE

A handwritten signature in black ink, appearing to read "J. I. Palmer, Jr.", written over a horizontal line.

J. I. Palmer, Jr.
Regional Administrator
Region 4
U.S. Environmental Protection Agency
Atlanta, GA

WE HEREBY CONSENT to the entry of this Decree, subject to the public notice requirements of 28 C.F.R. § 50.7.

FOR Koppers Industries, Inc.

9/30/02

DATE



Name: Randy Collins

Title: Vice President, Safety, Health and
Environmental Affairs and Risk Management

9/30/02

DATE



Name: David T. Buente

Title: Sidley Austin Brown & Wood LLP
Counsel to Koppers Industries, Inc.

EXHIBIT 1
SH&E Management System Manual

See attached

EXHIBIT 2
Management Review Policy

See attached

Exhibit 3
KII Facilities
See attached

EXHIBIT 4
Group 1 EMS Audit Facilities
See attached

EXHIBIT 5
Group 2 EMS Audit Facilities
See attached

EXHIBIT 6
Compliance Audit Facilities
See attached

Exhibit 7
KII Audit Policy
See attached

Exhibit 1

KOPPERS INDUSTRIES



SAFETY, HEALTH & ENVIRONMENTAL MANAGEMENT SYSTEM MANUAL

This is a controlled document when viewed in electronic form.
If printed, it will cease to be controlled 24 hours from: 9/18/02 1:40 PM.

Section 1

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Section 2 Distribution

ELECTRONIC MANUAL:

This Manual is available on the Koppers intranet site (KopNet). All Koppers managers have access to the electronic version of this manual.

HARD COPY MANUALS:

The following manuals have been destroyed:

1,2,5,6,7,8,9,10,11,12,13,14,15,19,20,21,22,26,28,29,30,31,32,34,35,36,38,41,42,43,
47,48,49,50,53,54,55,56, 57,58,59,60,61,62,63,64,65

The following employees maintain hard copy versions of this manual:

| <u>MANUAL HOLDER</u> | <u>MANUAL NUMBER</u> |
|--------------------------------|----------------------|
| VP & GM, CM&C | 3 |
| VP & GM, RP& S | 4 |
| Corporate Services Group (CSG) | Master |
| PLANTS: | |
| Alorton | |
| SH&E Coordinator | 16 |
| Clairton | |
| Plant Manager | 17 |
| SH&E Coordinator | 18 |
| Florence | |
| SH&E Coordinator | 23 |
| Follansbee | |
| Plant Manager | 24 |
| SH&E Coordinator | 25 |
| Gainesville | |
| SH&E Coordinator | 27 |
| Grenada | |
| SH&E Coordinator | 33 |
| Logansport | |
| Plant Manager | 37 |
| Monessen | |
| Plant Manager | 39 |
| SH&E Coordinator | 40 |
| North Little Rock | |
| SH&E Coordinator | 44 |

Section 2
Distribution

| <u>MANUAL HOLDER</u> | <u>MANUAL NUMBER</u> |
|-------------------------------------|----------------------|
| Portland | |
| Plant Manager | 45 |
| SH&E Coordinator | 46 |
| Stuckney | |
| Plant Manager | 51 |
| SH&E Coordinator | 52 |
| KA | |
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Section 3

Purpose and Scope

3.0 PURPOSE

This manual summarizes the core elements of Koppers SH&E Management System, provides corporate level procedures, and prescribes facility level procedures.

The SH&E Management System is an element of Koppers overall Ethics and Compliance Program, including Koppers' Code of Conduct and must be understood and implemented. The purpose of the SH&E Management System is to implement the Ethics and Compliance Program in the safety, health and environmental areas, including understanding and complying with applicable laws and preventing harm to persons and the environment. Violations of the requirements of the SH&E Management System, including the requirements of this Manual, will not be tolerated and will be subject to the disciplinary provisions of the Ethics and Compliance Program.

3.1 SCOPE

The Koppers SH&E Management System and this manual apply to the all Koppers manufacturing facilities in the US, Europe and Australasia.

Koppers, headquartered in Pittsburgh, Pennsylvania, is a leading integrated producer of carbon compounds, chemicals, and treated wood products for use in a variety of markets, including the chemical, railroad, utility, wood preserving, rubber, aluminum, and steel industries. Koppers currently operates US, European and Australasian facilities.

3.2 CONTROLLED DOCUMENT

This document is controlled. Each location may be issued one or more controlled copies of this manual. This manual is not to be revised or amended without approval of the VP, SH&E Affairs. Any photocopies will be marked "uncontrolled". Uncontrolled copies should not be relied upon.

Koppers also maintains an electronic version of this manual. That version, maintained on the Koppers intranet site (KopNet), is electronically controlled such that a printout of the manual will include the watermark "This is a controlled document when viewed in electronic form. If printed, it will cease to be controlled 24 hours from <date and time of printing>."

3.3 REVISIONS

Revisions to this manual are made as required to reflect the current system. Each revision is prepared and reviewed by a corporate committee before being approved by the Vice President, SH&E Affairs. The Corporate Services Group maintains records of the reviews and approvals of revisions.

A new page (or pages) for each controlled copy will be issued for each revision. Every revised page contains the revision number and date of issue. For complete reissues of the

Section 3

Purpose and Scope

manual, a new revision number will be issued (for example, Revision 2, Revision 3, etc.). For changes of one or more pages (but not the entire manual) a decimal system will be used (for example, Revision 2.1, Revision 2.2, etc.). The Table of Contents will be updated with each revision. These revisions are summarized in § 3.4 (History of Changes).

The manual holder ensures that the obsolete pages are removed from his or her copy of the controlled manual, and replaced with the revised pages. One copy of the cover letter accompanying the changes is filed in the front of the Manual, and another is sent back to the Corporate Service Group, for record-keeping purposes and to ensure that all manuals are current.

Controlled document indices for corporate and non-US division issued documents are managed separately from this manual. These indices are maintained on KopNet. Only the documents listed in these indices as policies will be distributed in hard copy. Guidance documents will not be distributed in hard copy. All controlled documents are available and may be accessed on KopNet.

3.4 HISTORY OF CHANGES

| Revision Number | Date | Summary of Changes |
|-----------------|----------|--|
| 0 | 7/1/2000 | Original Manual |
| 1 | 1/2/2002 | <ol style="list-style-type: none"> 1. changed designation of significant hazards and aspects to CSG – facilities may modify. Added Appendices A&B (aspects and hazards and continuous improvement plan). 2. modified policy and added it to the text of the manual, rather than in an appendix 3. deleted model 4. modified responsibilities 5. modified change management requirements 6. deleted requirement for facilities to have a communications procedure and a monitoring and measuring procedure (so long as they comply with the manual). Facilities may choose to have a facility level procedure for these elements. Facilities must have a calibration procedure. 7. differentiated between compliance audits and system audits 8. changed “purchasing department” to “purchasing managers” and added legal department based on reorganization 9. minor editorial changes throughout |
| 2 | | <ol style="list-style-type: none"> 1. § 4.3.1b – Identifying Significant H&A - deleted sentence that says “because our manufacturing facilities do not design products...” Any facility that does design a product must include product design in its analysis of aspects and hazards 2. § 4.4.1k – Structure and Responsibility - added supervisors section 3. § 4.4.2 / 4.4.7 / 4.5.1b / 4.5.2b / 4.5.3 / 4.4.5 – clarified that facilities must maintain a written procedure/plan. 4. § 4.4.5 - added provision for an exception to the annual review requirement for facilities with more than 100 procedures 5. § 4.3.6b(6) – Change Management |

Section 3

Purpose and Scope

- added "facility" to manager in the first sentence. Clarified that SH&E staff need only be notified of a change that implicates an SH&E issue IF the SH&E issue "could affect the facility's compliance status or could result in a significant adverse SH&E impact"
 - added changes in hours of operation to list of items that prompt a notification to SH&E staff
- 6 §3.3 – Revisions
- expanded explanation on revisions.
 - removed controlled document indices from manual (these will be available on KopNet)
- 7 §4.3 4 – Management Programs
- added "Crisis Response Program" to corporate maintained programs
 - clarified that an Industrial Hygiene Air Monitoring Program is only required at selected facilities and sites
- 8 §4.3 5 – Product Stewardship - modified to reflect the use of a third party to manage MSDSs
- 9 §4.4 1 – Structure and Responsibility -- added a chart of responsibilities for certain actions
10. §4.4 4 – Documentation –
- clarified the types of system documentation
 - added lab manuals to list of existing documentation that can be used to meet documentation requirements
11. §4.4 6 – Operational Controls - added reference to programs that serve as operational controls (e.g., control of hazardous energy, confined space entry, contingency plans, etc.)
12. Added international business unit information throughout and clarified when requirements are for one specific business unit (US vs. KE vs. KA). Added charts to indicate the responsibilities of the various US and international business unit SH&E staffs.
- 13 Deleted references to US only regulations throughout
- 14 Changed "plant" to "facility" throughout
15. Minor editorial changes throughout consistent with the changes noted above.

Section 4.1

System Requirements – General

4.0 SH&E MANAGEMENT SYSTEM REQUIREMENTS

4.1 GENERAL REQUIREMENTS (ISO 14001:1996 - §4.1)

Each Koppers manufacturing facility maintains the Koppers SH&E Management System as part of Koppers' Ethics and Compliance Program.

The SH&E Management System provides a systematic way of managing SH&E issues at Koppers as a whole. In this way, we determine how Koppers, as a company, impacts the safety and health of our employees, the public and the environment, and how we can comply with applicable legal requirements, and best manage and control the significant risks associated with doing business. Management, at the facility, division and corporate levels, is involved in this process.

All of this takes place within a system that is periodically reviewed by corporate, division and facility management, to ensure that:

- Changes to operations or processes take SH&E considerations into account prior to implementation
- Corrective and preventive actions are taken when significant risks are identified
- We maintain the proper knowledge of regulatory requirements
- We know our responsibilities and implement procedures to comply with these legal requirements
- The proper records to demonstrate compliance are maintained

The SH&E System involves four basic steps:

1. Planning
 - significant environmental aspects and safety hazards are identified, legal and other requirements are identified, objectives and targets are established to control aspects and hazards in order to achieve Koppers policy commitments, and programs are implemented describing how objectives and targets are met
2. Implementation and operation
 - operational controls necessary to achieve objectives and targets are developed and implemented, and employees are trained on them
3. Checking and corrective action
 - performance is measured and audited, and the necessary corrective action taken
4. Management review
 - management reviews the performance and adequacy of the system and directs that the system be changed or improved as necessary

These steps represent an ongoing decision-making and action process.

Section 4.2

System Requirements – Policy

4.2 POLICY (ISO 14001:1996 -- §4.2)

The system begins with the development of a corporate-wide SH&E policy - our policy provides direction to build on.

The Koppers SH&E Policy is the commitment to:

-
- **Compliance** with all applicable federal, state, and local safety, health, and environmental laws, regulations, and with other requirements to which Koppers subscribes;
 - **Pollution prevention** in order to preserve the environment for the health, productivity, and enjoyment of future generations;
 - **Continuous improvement** of our safety, health and environmental systems and performance;
 - **Communication** regarding our business operations and potential risks, both internally and externally.
-

The Koppers policy is established by the President and CEO of Koppers and the Vice President, Safety, Health and Environmental Affairs. This policy is adopted by each facility as its own. If a facility writes its own policy, it must be consistent with the policy stated above.

The policy is used as the framework for setting and maintaining corporate and facility SH&E goals.

The Koppers policy is available to the public. The policy is posted in public and operational areas of our manufacturing facilities and communicated regularly to all Koppers employees. Facilities, division staff or corporate staff may provide copies of the policy to the public on request. The Corporate Services Group posts and maintains the policy on Koppers web site (www.koppers.com).

Section 4.3

System Requirements – Planning

4.3 PLANNING (ISO 14001:1996 -- §4.3)

4.3.1 Identifying Significant SH&E Aspects, Hazards and Impacts (ISO 14001:1996 -- §4.3.1)

a. Definitions:

- Aspect - an attribute of the facility's operations (activities, products or services) that has the potential to interact with the environment
- Hazard - an attribute of the facility's operations (activities, products or services) that has the potential to affect the health or safety of its workers
- Impact - the effect the facility has (or has the potential to have) on the environment, or the health and safety of its workers (i.e., the consequences that result from, or are influenced by, the activities or services of the facility)

b. General:

Koppers identifies the SH&E aspects and hazards, and related impacts, associated with doing business. Once identified, each facility's significant aspects and hazards are managed using the SH&E Management System and taken into account in setting objectives and targets (refer to section c below and §4.3.3).

The identification of aspects and hazards as significant does not mean that they pose a new or special problem or risk – they may already be properly managed.

c. Koppers Aspects and Hazards Procedure:

- (1) Koppers has identified generally applicable aspects and hazards which are used for the Corporation. Facilities may modify this list -- not all facilities have all of the standard aspects and hazards, while other facilities may have unique aspects/hazards. Further definition of Koppers generally applicable aspects and hazards may be found in Appendix A.

(a) Aspects:

- Air
 - VOCs / PM, NOx, CO, SOx / fugitive emissions / nuisance dust / nuisance odor
- Water
 - process -- direct / process -- indirect / stormwater / sanitary
- Waste Handling and Generation
 - hazardous / industrial & residual / universal / municipal recyclables
- Material Storage/Usage and Release Potential (tanks, loading docks, warehouses)

Section 4.3

System Requirements – Planning

- coal tar (and derivatives – less creosote) / creosote / CCA / pentachlorophenol / treated wood / miscellaneous chemicals / untreated wood / coal
- Resource Use
 - wood / oil / gas / electricity / coal / water / propane / fuels
- Property Issues
 - contamination / transformers (PCBs) / noise

(b) Hazards

- Equipment
 - Hazardous operations (moving equipment, flying debris, sparks, chips, pinch points, rotating parts, etc) / hazardous energy (high temperature, pressure, electrical, electrostatic, mechanical, kinetic or potential energy) / rolling stock
- Walking and working surfaces
 - elevated surfaces (working at heights) / ground level (slip, trip) surfaces
- Flammables / Combustibles
- Chemical Agents
 - airborne / dermal
- Physical agents
 - noise / vibration / asbestos / exposure to elements / thermal exposure (equipment) / structural integrity / radiation
- Body Positioning
- Unsafe Conditions – other
 - confined space
- Property Loss

(2) The identified aspects / hazards are listed on the facility Continuous Improvement Spreadsheet (see template - Appendix B). This spreadsheet links aspects/hazards to impacts, legal requirements, objectives, activities and services (and products, where applicable), operational controls and monitoring / measuring processes to provide an overview of each facility's management system.

(3) **Environmental and safety staff** - The CSG (for US facilities) and the non-US divisions SH&E staffs (for KE and KA) complete the corporate section of the Continuous Improvement Spreadsheet (see template – Appendix B) by:

- (a) determining the significance of each aspect / hazard by taking into account the following criteria:
- Legal status – the degree to which aspects/hazards are governed by legal requirements (i.e. statutes, regulations, permits). Regulation reflects a determination by authorities that the particular activity poses an actual or

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System Requirements – Planning

potential risk. Regulated aspects will typically be considered significant, consistent with Koppers' commitment to compliance.

- Organizational concerns – compliance history, potential tort action, impact on production, future site use, public image, and other business issues. Also considered are potential costs savings and insurance concerns.
- Risk – the likelihood, nature and potential severity of the impact on the environment or employee health and safety should be considered, though a formal risk assessment is not required in the US.
 - KE - formal risk assessments are required for "Six-Pack", Seveso II and IPPC directive compliance.
 - KA - legislative requirement to assess the risk of ALL tasks, then analyse risk for severity. If impact is low as detailed above, the responsible person can deem the risk 'acceptable' as is without controls.
- Other – Pollution prevention opportunities, neighbors / stakeholder concerns, customer concerns.

This is not a quantitative process. All factors are taken into account in making a judgment of the significance of an aspect / hazard and the justification is summarized on the Continuous Improvement Spreadsheet (see template – Appendix B).

The determination of significance evaluation is done without regard to existing controls. For example, the fact that a wastewater discharge is controlled by a modern wastewater treatment plant is not relevant to this analysis – such a waste stream could be significant, but already under control.

- (b) identifying the legal status of the aspect / hazard (those laws, regulations, or other authorities that affect this aspect / hazard) (see § 4.3.2).
- (c) identifying the environmental or safety impact associated with this aspect / hazard (the result that may be expected should this aspect / hazard not be controlled).
- (d) identifying corporate or non-US Division objectives associated with the aspect / hazard (see § 4.3.3).
- (e) identifying any corresponding corporate or non-US Division policies or guidance documents associated with the aspect / hazard.

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System Requirements – Planning

- (4) **The facility** completes the facility portion of the Continuous Improvement Spreadsheet (see template - Appendix B) by:
- (a) identifying the activities, products and services associated with each aspect / hazard
 - (b) identifying facility objectives and targets (see § 4.3.3)
 - (c) documenting the operational controls in place (or proposed) necessary to achieve objectives and targets (§4.3.3), to include compliance
 - (d) documenting the monitoring and measuring processes in place for the aspect / hazard (see §4.5.1)

Facilities may change the significance determinations made by the corporate or non-US Division SH&E staff if operations or circumstances at that facility justify a change. Changes must be consistent with the corporate commitment to compliance, pollution prevention, communications and continuous improvement and the basis for the change must be documented on the “Determination of Significance” spreadsheet (see template - Appendix B).

- (5) The identification and determination of hazards and aspects is revisited to analyze the potential impact of equipment changes, operating process changes, product changes, etc.
- (a) The CSG reviews and revises (as needed) the generally applicable hazards and aspects. At a minimum, this review is completed annually.
 - (b) The facility reviews and updates the Continuous Improvement Spreadsheet (at a minimum annually).
 - (c) Any changes to the identification of aspects and hazards or the determination of significance are reflected on the Continuous Improvement Spreadsheet (see template - Appendix B). Any other changes to the Spreadsheet that are applicable across the company (e.g., new or revised corporate objectives) will be communicated to the facilities

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System Requirements – Planning

4.3 PLANNING

4.3.2 Legal and Other Requirements (ISO 14001:1996 - §4.3.2)

Compliance with applicable legal requirements is a fundamental commitment at Koppers.

The process of identifying applicable statutory and regulatory requirements, analyzing those requirements and ensuring compliance requires a cooperative effort among the facilities and many corporate departments. Depending on the nature of the requirement, staff sections (human resources, finance, engineering, procurement, etc.) may be asked to participate in analyzing the business implications of a requirement and developing a compliance plan.

The CEO is responsible for compliance with all applicable laws and regulations. Top management of each facility is accountable for ensuring that its operations comply with identified legal and other requirements. The corporate and non-US Division SH&E staffs provide assistance in this effort.

a. Procedure

Legal and other status is reflected on the Continuous Improvement Spreadsheet (see template - Appendix B).

(1) Corporate/non-US Division Staffs

(a) Access to information

The Corporate Services Group (CSG) and non-US Division SH&E staffs track new and changing federal/national and state laws and guidelines/policy on a company-wide basis through its subscription to a regulations update service, access to federal/national and state web sites, and through participation in industry trade groups. Additionally, environmental managers at CSG review the Federal Register daily. The CSG and non-US Division SH&E staffs also retain outside counsel when outside legal assistance is necessary on federal/national, state or local law issues.

The CSG or non-US Division SH&E staffs maintain a summary of applicable federal / national (US, Australian or EU) requirements on the intranet site (KopNet) for the facilities' reference. This provides facilities with a tool for ensuring facility staff have a basic knowledge of the regulations. Facilities can also access federal/national and state regulatory web sites through links on KopNet.

(b) Responsibility for maintaining data and communicating changes

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Corporate and non-US Division environmental managers are assigned responsibility for specific Koppers facilities. These environmental managers:

- Keep their respective facilities informed of changes to (federal/national and state) laws and regulations in a timely manner so that the facilities can comply with the changed requirements
- Identify, negotiate (with agencies) and communicate compliance requirements
- Maintain a database of all permits and external reporting requirements for each facility (US, KE & KA)
- Update this database to account for new or changing information (US, KE & KA)
- Communicate the changes via memoranda, policies, audits, training and/or monthly reports so that facilities are aware of these changes in time to comply with them

Corporate and non-US Division safety and health professionals:

- Keep operations personnel timely advised of legal and regulatory changes that impact Koppers
- Identify, negotiate (with agencies), and communicate compliance requirements
- Maintain records associated with S&H issues including accidents and injuries, audit recommendations/actions, medical files, etc.
- Publish progress reports
- Communicate changes via memoranda, policies, audits, training and/or monthly reports

(c) Maintaining proficiency

Corporate/non-US Division safety and environmental personnel maintain proficiency through the following means:

- Off-site training funded by the company
- Participation with industry groups
- Subscription to trade journals

(d) The services described in (a) and (b) above are performed by the following groups:

| | |
|----------------------|---|
| US | CSG |
| Koppers Europe | Manager, Technology Regulatory Officers Working Group (ROWG) |
| Koppers, Australasia | Safety, Environmental and Risk Manager |

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(2) Facilities

(a) Access to information

Each facility is responsible for understanding applicable legal requirements (permits, regulatory guidance, contracts, consent orders, etc.), identifying other facility obligations (corporate / non-US Division requirements, best management practices, voluntary programs, or industry standards that it has committed to follow), and ensuring compliance with both.

Each facility uses any or all of the following means to ensure it remains aware of changes in federal/national, state and local regulations, as appropriate:

- Access to resources on KopNet
- Access to federal and state web sites
- Membership in state or local Manufacturer's Association and Chamber of Commerce
- Newsletters which highlight changes to state laws and regulations affecting industry
- Working relationships with state agencies/inspectors in order to stay abreast of any regulatory activity
- Involvement with the Local Emergency Planning Committee (LEPC) or non-US Division equivalent. This provides access to any changes in local requirements

(b) Responsibility for maintaining data and communicating changes

Each facility maintains a compliance spreadsheet (or document) that lists critical compliance dates, including but not limited to:

- Reporting requirements (discharge reports, air emissions inventories, etc)
- Permit renewal dates

Communicating changes: Facilities communicate information on new or changed regulations (particularly information about state or local regulations) that they become aware of to the appropriate SH&E manager at corporate or non-US Division SH&E Manager. **Perhaps "When facilities become aware of information on new or changed regulations (particularly information about state or local regulations) they should communicate it to the appropriate SH&E manager."**

- The facility manager, with the appropriate corporate SH&E/non-US Division SH&E manager, determines how to address the required changes (this may require input from other departments)
- The facility manager or SH&E Coordinator takes the necessary action to comply with the new requirement

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- Facility management ensures the changes are communicated to employees responsible for compliance in a timely manner so that facilities comply with changed requirements

(c) Maintaining proficiency

Facility SH&E personnel maintain proficiency through information provided by corporate or non-US Division headquarters, Koppers annual SH&E management seminars (US), and internal / external training as determined by the facility. Participation in trade groups and subscriptions to professional journals are encouraged.

(3) Violations or Potential Violations of Laws or Regulations

Any facility that receives oral or written notice of an actual or potential enforcement action or that identifies a significant actual or potential non-compliance, promptly notifies the appropriate personnel:

For US operations,

- Notify the CSG Environmental Manager, the VP for SH&E Affairs, the Division GM and the Division Operations Manager
- Notify regulatory authorities as required by law
- This process is formalized in Koppers policy KII-SHE-014

For non-US Division operations, notify:

- KE – Manager, Technology
- KA – Safety, Environmental and Risk Manager

Any employee that is aware of or suspects that there may be a violation of applicable laws must inform the appropriate persons within the Company in accordance with Koppers' Code of Conduct.

The facilities and the SH&E staffs work together to correct compliance issues. Facilities use the corrective action process (§4.5.2).

Section 4.3 System Requirements – Planning

4.3 PLANNING (ISO 14001:1996 -- §4.3)

4.3.3 Objectives And Targets (ISO 14001:1996 -- §4.3.3)

Corporate sets objectives to manage significant aspects and hazards to ensure compliance with the SH&E policy. Divisions may set additional objectives and targets. Each facility sets corresponding objectives and targets to ensure compliance with corporate (and division, where applicable) objectives and targets, except where the objective relates only to the corporate headquarters. Facilities may set additional objectives and targets necessary to manage their significant aspects and hazards.

Compliance with applicable laws and permits is a fundamental policy commitment of Koppers and is an inherent objective at every facility.

Objectives and targets are recorded on the Continuous Improvement Spreadsheet (see §4.3.1 and template - Appendix B).

a. Definitions

- **Objectives** are overall goals that are established for managing significant safety, health or environmental issues or to support the corporate SH&E policy.
- **Targets** provide specific and quantifiable milestones that must be reached in order to attain the objective (% reduction, tons/day, a specific task, an established time line). An objective and target is not necessarily established for every hazard / aspect in the facility.

b. Objectives and Targets Procedure

- (1) Corporate management sets goals for the company in the fourth quarter of each year. These objectives are consistent with the SH&E policy and Koppers commitment to compliance, pollution prevention, communications and continual improvement. Objectives are normally linked to specific hazards or aspects, but the corporation may set objectives that apply equally to several hazards or aspects.
- (2) Where corporate or divisional level SH&E objectives are set, facilities use their normal business planning process to set and fund SH&E corresponding targets to ensure that the broader objectives will be met. When an objective requires capital, it will be reflected in the capital plan.
- (3) In setting additional, facility specific, objectives and targets, facilities shall take into account:

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- Corporate and division objectives
 - The necessity to comply with legal and other requirements
 - Significant SH&E hazards and aspects – where significant hazards and aspects are being adequately controlled, maintaining current performance may be an appropriate objective
 - Views of interested parties
 - Technical, financial, operational, and business issues
 - System and compliance audit findings
- (4) Top facility management is responsible for reviewing and approving facility objectives and targets, for obtaining and providing adequate resources (including funding, personnel and technical resources) related to objectives and targets, and is accountable for seeing that the objectives and targets are ultimately met. Funding is requested through normal business processes (including the capital budgeting process).
- (5) Where relevant, facility-wide objectives and targets should be further defined at lower functions and levels.
- (6) Objectives and targets at all levels are reviewed annually and revised as necessary.

c. Records

The facility's objectives and targets will be documented on the Continuous Improvement Spreadsheet (see template – Appendix B).

Section 4.3

System Requirements – Planning

4.3 PLANNING (ISO 14001:1996 -- §4.3)

4.3.4 Management Programs (ISO 14001:1996 -- §4.3.4)

A management program indicates how a facility intends to meet its objectives and targets. Management programs can be formal documents (stormwater pollution prevention plans) or informal action plans. They may be single documents that summarize a variety of activities, or a collection of documents that, taken together, describe the overall program. Management programs are noted on the Continuous Improvement Spreadsheet (see template – Appendix B).

Facilities develop and implement management programs to achieve their objectives and targets. These programs:

- Describe how the objectives and targets will be met, including the necessary actions that will be taken
- Identify who is responsible for taking those actions
- Set the schedule, to include relevant milestones

Koppers corporate staff develops and maintains the following management programs:

- Crisis Response Program
- Safety Recognition Program
- Environmental Recognition Program

Facilities develop facility specific programs for the following, as appropriate:

For US operations:

- Groundwater Protection Plan (selected facilities and sites)
- Storm Water Pollution Prevention Program (selected facilities and sites)
- Monitoring and Recordkeeping Plans (selected Title V facilities)
- Emergency plans (SPCC, SWPPP, MTR, etc)
- Respiratory Protection Program (selected facilities and sites)
- Lockout/Tag-out Program
- HAZCOM Program
- Industrial Hygiene Air Monitoring Program (selected facilities and sites)
- Additional programs, as needed

For KE operations:

- EU “Six Pack” Directive
- EU Seveso II Directive
- COSHH – Control of Substances Hazardous to Health

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- Integrated Pollution Prevention and Control Authorizations
- EU Dangerous Substances, Dangerous Preparations, Material Safety Data Sheet and Marketing and Use Directives
- Additional programs, as needed

For KA operations:

- Emergency Plans (DUAP, Workcover, EPA)
- Environmental Compliance Plans
 - Groundwater
 - Stormwater
 - Emissions
 - Noise
 - Waste
- Worksafe/Workcover Compliance
- Major Hazard Facilities (selected sites)

Programs are reviewed and updated as necessary to reflect:

- Changes in objectives / targets
- New or revised activities, services or operations
- Changes in applicable legal requirements

At a minimum, the overall suitability of programs is checked by the auditing program and during management review.

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System Requirements – Planning

4.3 PLANNING (ISO 14001:1996 - §4.3)

4.3.5 Product Stewardship Requirements

a. General:

Product stewardship encompasses accounting for and managing, as appropriate, SH&E issues related to design, production, distribution, use, handling, and disposal of products.

b. Providing Information to Customers

The Safety & Health Department, within the Corporate Service Group, KE SH&E staff or KA facility level staff in conjunction with the appropriate technical specialists within Koppers US, KE and KA, provide appropriate safety, health and environmental information to Koppers distributors and customers.

Production sites ensure that products are appropriately labeled prior to leaving the facility and that appropriate shipping documents and Consumer Information Sheets (where applicable) are provided. Material Safety Data Sheets (MSDS) are issued through the order entry system and in response to requests received via telephone, fax or e-mail. MSDSs are also available on the Koppers web site.

c. Product information (MSDS/product label):

Koppers has assigned the responsibility for the Material Safety Data Sheet development, generation, and distribution to the authorities listed below. All requests or questions about new or revised MSDSs and/or product labels shall be directed to that position.

| | |
|----------------------|--|
| US | Product Safety Specialist, Safety & Health Department, CSG |
| Koppers Europe | Manager, Technology Regulatory Officers Working Group (ROWG) |
| Koppers, Australasia | Safety, Environmental and Risk Manager |

(1) Generating new product information:

All available technical information including a chemical analysis is gathered and forwarded to a third-party consultant firm. The third-party consultant then develops the draft MSDS. A multidisciplinary team including an analytical chemist (chemical properties), engineering (physical properties), transportation and logistics representative (shipping descriptions and classifications), environmental specialist (spill cleanup and reporting requirements), safety and health specialist (PPE, fire fighting, PELs and handling procedures), contract toxicologist (cautionary language, toxicology classification, health effects, target organs designations and first aid), general counsel (legal review), and product manager (product name and commodity

Section 4.3

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code) reviews the draft Material Safety Data Sheet (MSDS) and returns the edited version to the contractor for final disposition. Following final review and approval by the appropriate authority (above) the third-party consultant will post the MSDS to the website. Following release of the MSDS, the appropriate product signs, tags and labels and transport emergency cards (KE) will be made available.

(2) Modification of an Existing Product MSDS

The following events may generate the need for a modification to an existing MSDS/label:

- A change in the product production or manufacturing process
- A change in the formulation (ingredients or composition) of a product
- A change in the regulations impacting the product
- A change in knowledge of the health and safety impact of product use

Any person having knowledge of a product/process modification is responsible for notifying the appropriate authority (above) of the need for a revision and providing the details of the product/process modification(s).

Once notified of the need for revision, the same procedures outlined above (for the generation of a new MSDS) will be implemented by the appropriate identified authorities.

MSDSs are issued to customers at the time of product shipment and whenever a change is made to the involved MSDS.

When major label revisions occur, current stocks will be destroyed by the appropriate authorities (above) and replaced by the new label. For minor label revisions, labels will be replaced upon the next reprint.

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System Requirements – Planning

4.3 PLANNING (ISO 14001:1996 – §4.3)

4.3.6 Change Management

Managing SH&E issues associated with changing business conditions (change management) is an essential element of Koppers SH&E Management System. Communication across organizational lines (e.g., facility, corporate) and functional lines (e.g., purchasing, engineering, safety, research and development, environmental) about significant operational changes and related SH&E issues early in the business planning process and throughout projects is necessary to develop and implement effective, timely and lawful plans required to accomplish business strategies.

a. Corporate Change Management Practices: Koppers manages the SH&E implications of change through several mechanisms. Redundancy is built in to these mechanisms.

- (1) The Capital Expenditure Program (CAPEX). Before beginning a project that is to be capitalized, the facility must complete a capital expenditure request (CER). The CER contains the facility manager's appraisal of the environmental implications of the project. The CER is reviewed by the appropriate manager in both the environmental and safety departments (among others) prior to funds being allocated. HAZOP analysis will be performed according to applicable federal requirements (KE/KA).
- (2) Material Safety Data Sheet (MSDS) Program. The introduction of any new product requires the development of an MSDS. The Safety Department manages this process, with input from the Environmental Department, the Technology Center, and Engineering Department (see §4.3.5)
- (3) Purchase order system. Each non-US Division and the corporate Purchasing Department (for US operations) has its own purchasing policy. For US operations, any purchase greater than \$10,000 requires a corporate purchase order. The Purchasing Department ensures the appropriate SH&E issues are incorporated into the evaluation and selection of contractors and discusses any perceived SH&E issue with the appropriate SH&E manager.
- (4) Raw material purchasing. Raw materials are purchased by the Division staff, who consider the SH&E implications of the materials being purchased and communicate changes in suppliers/materials to the SH&E staff.
- (5) Regulations monitoring. The S&H and Environmental Departments and non-US Division SH&E staffs regularly review applicable federal/national and state regulations for changes. Changes are communicated to the facilities involved (see §4.3.2a(1)).
- (6) Decommissioning activities. The Corporate Services Group or non-US Division SH&E staff are consulted on all projects involving the complete or partial decommissioning of a facility.
- (7) Process changes. The R&D/Engineering Department (US/KE) notifies the appropriate SH&E manager when an SH&E issue is implicated in product, process, equipment or material changes.

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- (8) Tank database. The Environmental Department (US) maintains a database of all tanks in US facilities. Updates are done annually. This information will be maintained in the Hazards and Impacts spreadsheet and in IPPC and COMAH documentation (KE).
- (9) Permit applications. The Environmental Department/non-US division SH&E staff reviews all permit applications to ensure compliance with regulatory requirements (US, KE & KA).
- (10) Hazards and aspects review. Hazards and aspects are reviewed annually (see §4.3.1c(5)).

b. Facility-level Change Management Practices: SH&E implications noted in these practices are managed at the facility level. If assistance from corporate staff is required, the facility initiates the contact.

- (1) Hazardous job meetings. When a non-routine hazardous job is planned, the facility management conducts a Hazardous Job Meeting (KA – tool box meeting), at which the participants discuss and document the SH&E implications of the job.
- (2) Chemical inventory. Annually, each US facility reviews and updates its chemical inventory list.
- (3) Accident and incident investigation. Facilities conduct root cause analysis for accidents and environmental incidents, corrective action is taken, where warranted, and the investigation report is forwarded to the appropriate corporate SH&E manager. [Refer to § 4.5.2 (Corrective Action), KII-SHE-008 (Incident and Near-Miss Investigation and Injury Reporting Policy), and KII-SHE-014 (Environmental Incident Reporting)].
- (4) Hazards and aspects (H&A) review. Hazards and aspects are reviewed annually (see §4.3.1c(5)).
- (5) Management of Legal and Other Requirements. In accordance with §4.3.2, facilities communicate to the appropriate SH&E Manager (see below) changes in state and local regulations and permits as they become aware of them. Additionally, each facility annually reviews OSHA compliance programs requiring review (see § 4.3.4).

| | |
|----------------------|--|
| US | CSG |
| Koppers Europe | Safety and Environmental Policy Group |
| Koppers, Australasia | Safety, Environmental and Risk Manager |

- (6) Before making any operational or physical changes, the facility manager determines whether the change implicates a safety, health or environmental issue. If an SH&E issue could affect the facility's compliance status or could result in a significant adverse SH&E impact, the facility manager notifies and coordinates with the Corporate Services Group (US), the Safety and Environmental Policy Group (KE) or the Safety, Environmental and Risk Manager (KA). Such coordination may require the completion of formal risk assessments under the

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System Requirements – Planning

leadership of the appropriate CSG or non-US Divisional SH&E manager (KE and KA). Examples of the types of operational or physical changes that may have SH&E implications include:

- Facility expansion or new process startup
- A not-in-kind replacement of equipment
- Introduction of new products, materials or equipment at a facility
- Decisions to increase production levels or hours of operation (facilities must be aware that some permits impose production limits)
- Changes in facility processes or materials used including raw materials, feed stocks, and additives or materials of construction
- Construction projects
- Removal / demolition of equipment
- Movement / relocation of existing fixed equipment
- Excavation of soil
- Changes in work practices / operating procedures which affect employee safety or health
- Change in the facility SH&E Coordinator
- Changes resulting from new or revised customer requirements
- Changes in legal or regulatory requirements (see § 4.3.2a(2))
- Changes based on new or revised permits
- Real estate transactions
- Other situations which affect SH&E issues

Upon any process or equipment change being made in the facility, the facility manager will:

- (1) review the facility hazards and aspects to ensure the new process is included in the H&A analysis, if necessary
- (2) ensure all affected employees are aware of the changes (this may be done through the Observations and Contacts program (see KII-SHE-002))
- (3) ensure the changes are documented
- (4) ensure that relevant procedures, management programs and other documentation are revised to reflect the change

Section 4.4

System Requirements – Implementation and Operation

4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)

4.4.1 Structure and Responsibility (ISO 14001:1996 -- §4.4.1)

This section summarizes the structure of the SH&E Management System and the related roles and responsibilities of Koppers employees. Additional, more specific roles and responsibilities may be found in other procedures and documents.

The mechanism for central supervision of the management system in international business units is as follows:

| Authority | Koppers US | Koppers Europe | Koppers Australia |
|---|--|-------------------------------------|--|
| Manual Revision | VP, SH&E Affairs | NA ³ | NA ³ |
| Corporate Policy Revision | CSG ¹ | NA ³ | NA ³ |
| Corporate Policy (including the company SH&E Policy) Approval | Executive Council | NA ³ | NA ³ |
| Division Policy Revision | Division Management | SH&E Policy Group | SH&E Executive Committee |
| Division Policy Approval | Division GM | VP and CEO, Koppers Europe | VP&CEO, KA |
| Facility Level Procedure Revision | Facility SH&E Coordinator | ROWG ² | GM/Facility Manager |
| Facility Level Procedure Approval | Facility Manager | Manager Technology, Koppers Europe | GM/Facility Manager |
| System Audit (corporate level) | CSG ¹ (or consultant) | Manager Technology, Koppers Europe | Safety, Environmental and Risk Manager |
| System Audit (facility level) | Facility manager | ROWG ² | GM/Facility Manager |
| Compliance Audit | Managed by CSG Conducted by consultant | Consultant/external ISO auditor | Consultant |
| Maintenance of regulations summary | CSG ¹ | Manager, Technology, Koppers Europe | Safety, Environmental and Risk Manager |
| Maintenance of facility legal requirements | Facility Manager | Facility Manager | GM/Facility Manager |
| Identifying standard aspects and hazards | CSG ¹ | NA ³ | NA ³ |
| Modifying aspects and hazards (with justification) | Facility manager | ROWG ² | GM/Facility Manager |
| Set Corporate Objectives and Targets | CSG ¹ | NA ³ | NA ³ |
| Set Division/facility O&T | Division GM/Facility Manager | GM/Manager of Technology | GM/Facility Manager |
| Management Review | Executive Council – for corporation Facility Manager – for facility | ROWG ² | SH&E Executive Committee |
| Property Loss Control | | | |
| a) survey | a) insurance carrier | a) insurance carrier | a) insurance carrier |
| b) corrective action | b) facility manager | b) facility manager | b) facility manager |

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System Requirements – Implementation and Operation

| | | | |
|------------------|---------------------|----------------------|---|
| c) documentation | c) CSG ¹ | c) ROWG ² | c) Safety, Environmental and Risk Manager |
|------------------|---------------------|----------------------|---|

¹CSG = KII Corporate Services Group

²ROWG = Koppers Europe Regulatory Officers Working Group

³NA = Action not authorized at this level

a. CEO

The President and CEO establishes Koppers Safety, Health and Environmental Policy, participates in the setting of corporate SH&E goals and periodically reviews the performance of the SH&E Management System through the Management Review process. The CEO:

- Establishes and periodically reviews the SH&E Policy
- Communicates the SH&E policy
- Defines roles, responsibilities, and authorities
- Provides resources necessary to maintain the SH&E Management System
- Champions employee participation
- Directs management review, approves recommendations and provides resources to accomplish changes
- Approves corporate level SH&E policies

b. Executive Safety / Environmental Councils

The Executive Safety Council and the Executive Environmental Council meet monthly to discuss safety / environmental performance and issues (US and KE). The KA Safety, Environment & Risk Executive Committee meets semi-annually. The Councils / Committee are comprised of senior executives. The Councils / Committee:

- Review safety / environmental performance statistics
- Direct changes to address safety / environmental issues
- Recommend policy approval to the CEO
- Perform management review at the corporate level; provide recommendations to the CEO for change

c. Corporate Services Group

The Corporate Services Group is responsible for the design, implementation and oversight of the Koppers SH&E Management System, including the development of this manual. This program is overseen by the Vice President of Safety, Health and Environmental Affairs, who also acts as the Corporate Compliance Director.

The Corporate Services Group:

- Develops and maintains Corporate-level SH&E Management System documentation
- Assists facilities in maintaining the SH&E Management System

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- Tracks, analyzes, and communicates proposed and final (federal and state) regulations and coordinates decision-making regarding new regulations
- Provides SH&E evaluation of potential contract manufacturers, when requested
- Provides SH&E information to distributors and customers
- Supports the development of Corporate, Division, and facility level SH&E objectives and targets
- Supports employee participation initiatives
- Supports development, maintenance and testing of emergency preparedness and response procedures
- Conducts or directs SH&E compliance and system audits and communicates the results to facilities and Divisions
- Maintains corporate level SH&E records in accordance with established procedures
- Prepares information/reports necessary for CEO to conduct Management Review
- Assists facilities in developing plans and strategies for monitoring compliance
- Participates in Division strategic planning process
- Support facility community outreach programs (for example, through support of Community Advisory Panel)

d. Non-US Division SH&E staffs:

The non-US Division SH&E Staffs are responsible for the implementation and oversight of the Koppers SH&E Management System in their business units. For their business unit, these staffs:

- Assist facilities in maintaining the SH&E Management System
- Track, analyze, and communicate proposed and final regulations and coordinate decision-making regarding new regulations
- Provide SH&E evaluation of potential contract manufacturers, when requested
- Provide SH&E information to distributors and customers (KE & KA), when requested or required by legislation
- Support the development of division and facility level SH&E objectives and targets
- Support employee participation initiatives
- Support development, maintenance and testing of emergency preparedness and response procedures
- Conduct or direct SH&E compliance and system audits and communicates the results to facilities, Divisions, CEO
- Maintain SH&E records in accordance with established records procedures
- Prepare information/reports necessary for business unit manager to conduct Management Review
- Assist facilities in developing plans and strategies for monitoring compliance
- Participate in business unit strategic planning process
- Post and maintain the SH&E policy on web site

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e. Corporate Legal Department:

- Develops, implements and monitors the Corporate Compliance Program under the direction of the Corporate Compliance Director
- Provides legal review of SH&E activities
- Oversees the compliance auditing process

f. General Managers/Operations Managers (including non-US Divisions)

Division vice presidents and their operations managers have oversight authority over the operation of the SH&E management system of the facilities in their divisions. Divisional top management reports regularly to the President and CEO on the safety, health and environmental performance of the division. The Division General Managers and Operations Managers:

- Communicate and demonstrate support of the SH&E Policy
- Supplement corporate SH&E goals, where appropriate
- Participate in evaluation of business impacts of new regulations
- Track status of facility and division objectives and targets
- Provide resources necessary to maintain the SH&E Management System
- Champion employee participation
- Provide oversight of the performance of the facility SH&E Management System
- Evaluate and approve capital plans
- Track SH&E performance as a part of individual performance reviews
- Participate in management review process (GM)

g. Facility Managers

Facility managers are responsible for the implementation, maintenance and performance of their facility's SH&E Management System. Facility managers play a direct role in setting objectives and targets, reviewing the performance of the SH&E Management System and providing sufficient resources (human, financial and technical). The facility manager:

- Is responsible for compliance with regulations. Corporate supports this effort by identifying and interpreting federal/national and state requirements
- Is responsible for accurate, timely reporting to regulating agencies
- Ensures compliance issues are reported to operations managers and CSG or non-US Division SH&E staff. Corporate compliance issues are reported to the Corporate Compliance Director
- Ensures the emergency preparedness and response procedures are reviewed and tested as required
- Communicates SH&E policy
- Reviews and approves facility level objectives and targets
- Ensures the development of appropriate facility level SH&E Management Programs

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- Ensures facility specific training requirements are met
- Facilitates employee participation
- Ensures facility level SH&E Management System Documentation is maintained and procedures are followed
- Ensures management of suppliers and contractors to ensure conformance with established SH&E processes
- Tracks SH&E performance as a part of individual performance reviews
- Conducts facility level management review
- Defines roles for other facility personnel (using management programs, procedures, etc.)

h. SH&E Coordinator

Each facility manager designates a SH&E Coordinator. This individual is a direct report to the facility manager. The SH&E Coordinator:

- Acts as the team leader for the SH&E Team
- Is responsible for the supervision and ongoing maintenance of the SH&E Management System and local SH&E management procedures
- Reports on the performance of the SH&E Management System to facility top management for management review and as a basis for continual improvement
- Recommends improvements to the system or procedures at the facility
- Identifies facility level objectives and targets and obtains facility management approval
- Implements appropriate facility level SH&E management programs
- Identifies resources needed to implement and control the SH&E Management System
- Identifies facility specific training needs
- Facilitates employee participation
- Maintains facility level SH&E Management System documentation
- Develops, implements, and maintains operating procedures associated with significant SH&E hazards and aspects
- Collects data for the facility level management review

i. SH&E Team

Each facility designates an SH&E Team accountable for the successful implementation, operation, and periodic evaluation of the SH&E Management System. In KA- this team is called the OHS Committee.

The team consists of a cross section of the facility workforce. The facility manager appoints each member (US). In KE and KA, the workers nominate some representatives (by law). The facility manager may periodically appoint new members to the team in order to give other employees a chance to participate, to ensure the team has the necessary experience to address a particular issue, or to enhance an employee's SH&E training.

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System Requirements – Implementation and Operation

The SH&E Team meets on a regular basis. An agenda is prepared before each meeting and minutes are recorded, reviewed, posted, and a copy is sent to the corporate or non-US Division environmental manager. The Team:

- Promotes SH&E awareness among employees
- Contributes to the development of sound employee SH&E work practices
- Evaluates and recommends facility level policies and practices to reduce risks
- Participates in the investigation of accidents, losses, spills and other hazardous conditions (as assigned by the facility manager) and recommends corrective action
- Participates in safety inspections and environmental audits of the facility and considers and recommends corrective actions for unsafe conditions or practices noted
- Assists in developing and maintaining operating procedures
- Recommends annual objectives and targets that will facilitate continual improvement
- Team chairman is involved with facility visits by S&H regulatory inspector (KA)

In successfully performing its duties, the Team will be a key element in the facility's efforts to drive continual SH&E improvement.

j. Purchasing Managers

Corporate / division purchasing managers (US):

- Factor SH&E performance into contracting decisions
- Ensure vendors know what SH&E information is required to be provided
- Ensure contractors meet applicable SH&E requirements by including appropriate language on purchase orders (US)

Facility level personnel:

- Ensure vendors know what SH&E information is required to be provided
- Collect and maintain contractor / vendor SH&E information
- Provide contractor / vendor training (per §4.4.2c)
- Ensure contractors meet applicable SH&E requirements by including appropriate language on purchase orders (KE/KA)

k. Engineering Department

The Engineering Department:

- Evaluates SH&E issues associated with system design
- Supports development and maintenance of operating procedures

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- Assists facilities in considering contractor safety issues when letting contracts

In KE and KA, the Engineering Departments also:

- Maintain the documentation associated with the engineering change control procedure
- Provide support for the HAZOP/HAZAN teams which consider facility operational or design changes
- Ensure contractors meet applicable SH&E requirements

l. Supervisors

- Ensure that persons that they supervise are aware of the facility procedures and rules applicable to their jobs and that those requirements are followed

m. All employees

- Are expected to follow all facility procedures and rules, obey all applicable laws and regulations and inform facility management of any deviation from them

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4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)

4.4.2 Training, Awareness and Competence (ISO 14001:1996 – §4.4.2)

Each facility establishes and maintains a written local, facility-specific training procedure that addresses the safety, health and environmental competence and awareness required of its employees. The procedure includes adding safety, health or environmental elements to established EPA or OSHA training programs where appropriate.

a. Training and Competence

Each facility identifies its employees' training needs in a job description (or through a job training needs analysis). The facility maintains documentation (spreadsheet, database, etc) indicating which employees require which training.

Each employee whose job involves an activity that contributes to a significant environmental aspect or safety hazard must be competent to perform the safety, health and environmentally related elements of his or her work (e.g., operational controls or Job Safety Analysis [JSA]), based on awareness, training, experience and/or appropriate and required education.

As operating procedures, policies, or regulations change, the training program is updated to reflect such changes. Employees are retrained if the change affects the way the procedure is conducted or if they change to a job that has different applicable procedures.

Training requirements (US) are outlined in Koppers policy (KII-SHE-005).

Training aids available include the Koppers training guidance (for US facilities, KII-SHE-006), Safety Watch videos, etc.

b. Awareness

System awareness training is provided to all new employees and a refresher provided annually to all employees.

Initial training (see KII-SHE-006) includes:

- (1) Koppers SH&E Policy Statement
- (2) Overview of potential environmental impacts of Koppers facilities
- (3) Environmental regulatory requirements and the importance of compliance
- (4) Waste generation and management
- (5) Emergency preparedness and response
- (6) The role of the Corporate Services Group
- (7) The role of the SH&E Coordinator and SH&E Team

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- (8) The role of individual employees (including the consequences of deviating from specified operating procedures and the responsibility to report compliance issues)
- (9) Pollution preventions/recycling/waste minimization programs
- (10) Community outreach programs

Refresher training (see KII-SHE-006) includes:

- (1) Koppers SH&E Policy Statement
- (2) New and revised SH&E requirements
- (3) Review of employee responsibilities (including the consequences of deviating from specified operating procedures) and the importance of compliance

Additional general SH&E awareness activities may include:

- (1) Monthly, facility-wide safety meetings at which the facility manager or site manager discusses safety and environmental statistics
- (2) Weekly departmental safety talks
- (3) SH&E team interaction with other employees
- (4) SH&E management system posters
- (5) References to and making available the SH&E management system manual and policies
- (6) Briefings to the employees by the facility manager following a spill or accident
- (7) Observation and Contact Program (KII-SHE-002)
- (8) SH&E Auditing

c. Contractor Training

Facility personnel responsible for oversight of on-site contractors / vendors whose work may involve a significant aspect or hazard, must ensure that any contractor's employees demonstrate the appropriate training and competence, and that they are made aware of relevant Koppers SH&E requirements so that their activities are conducted in a manner consistent with the Koppers SH&E Management System. This may be accomplished by providing the contractor / vendor with the applicable standards and requiring that the contractor train his personnel. (See also §4.4.6 – operational controls.)

d. Records

Each facility maintains records, in accordance with their internal records procedure, of training needs and employees trained (including the nature of the training provided).

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4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)

4.4.3 Communications (ISO 14001:1996 -- §4.4.3)

Communication among facilities, and across corporate, divisional and operational functions, is necessary to manage change effectively and efficiently, integrate SH&E into business operations, promote efficiency and avoid barriers to implementing the business strategy.

Koppers Communication Procedure:

a. External

Koppers affirmatively communicates externally through reporting required by law (US - EPCRA, NPDES, CAA, OSHA, etc.; KE – IPPC and Seveso II) and through other corporate reporting obligations. Facilities may also employ additional means of external communication. These may include:

- Postings on the Koppers web site
- Encouraging interaction with the community through its Environmental Stewardship Award and Directors Award of Excellence (Safety) Programs
- Pre-crisis management exercises (i.e. tabletops, functional drills and full scale exercises)
- Participation in LEPCs (Local Emergency Planning Committees)
- Periodically providing information to the public and community organizations by other means, (e.g., Community Advisory Panels)
- Open houses
- Participation in the Responsible Care Program (KE only)

Each facility receives, documents and responds to communications from external parties about SH&E issues (such as communications from regulatory agencies, citizen complaints) either by keeping a log of such communications or by maintaining the actual correspondence.

Communication from agencies and complaints from stakeholders are copied to the Corporate Services Group (for US facilities) in accordance with KII-SHE-014. KE facilities follow the ISO 9000 compliant procedure. KA facilities report to the Safety, Environmental and Risk Manager.

Facilities are also encouraged to participate in the community by.

- Participating with or sponsoring community groups (boy/girl scouts, local schools, etc.)
- Being available as speakers for community groups (Lions, Rotary, etc.)

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Koppers considered communicating externally regarding its significant hazards and aspects and determined that the communications required by law were sufficient to serve this purpose.

b. Internal

Complete and open communication between the facilities and the corporate and division staffs is necessary to ensure that SH&E issues are properly identified and addressed. This communication takes many forms (monthly operating reports, phone calls, e-mail, KopNet, etc.).

Internal communication is addressed in many of the system elements (document control, management review, change management, training, etc.).

Each facility communicates internally and with the corporate headquarters in the following events:

- Environmental upsets/incidents (KII-SHE-014)
- Accidents (KII-SHE-008)
- Odor complaints (KII-SHE-014)
- Audits/inspections (KII-SHE-014)
- Communication with agencies (implicating an SH&E compliance issue)
- Actual noncompliance incidents
- Inquiries from media

Koppers facilities communicate internally using any or all of the following methods:

- Shift meetings
- Supervisor meetings
- Safety meeting
- Facility level meetings
- Training classes
- E-mail
- Bulletin boards / posters
- SH&E Newspaper (KE)
- Internal monograph system (KA)

Note: If an employee does not know what the applicable legal or company requirements are or is unsure about what to do, that employee must ask the appropriate manager to receive the proper instructions and direction.

Each employee must report any concerns about actual or potential violations of the law in accordance with Koppers Ethics and Compliance Program and Code of Conduct.

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System Requirements – Implementation and Operation

4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)

4.4.4 SH&E Management System Documentation (ISO 14001:1996 -- §4.4.4)

Documentation of the Koppers SH&E Management System includes:

- this *Manual*, which describes the core elements of the Koppers SH&E Management System,
- specific *policies* that supplement this Manual and that, in some cases, establish additional requirements for facilities
- *procedures* and other documentation established at the facility-level, consistent with the requirements of this Manual, and
- *guidance documents* which provide guidance on certain SH&E issues or programs but compliance with these documents is not mandatory, so long as the facility is in compliance with the underlying regulatory or policy driver.

Each facility maintains documentation as described in this manual. Facilities are encouraged to use existing documentation such as quality procedures, lab manuals, work instructions or JSAs that meet the requirements of this Manual. Facilities may also incorporate their SH&E documentation into their existing ISO 9000/quality system documentation where applicable.

Section 4.4**System Requirements – Implementation and Operation****4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)****4.4.5 Document Control
(ISO 14001:1996 -- §4.4.5)**

The fundamental purpose of document control is to ensure that the right people have the correct instructions at the proper time. In order to facilitate this, each facility will establish and implement a written document control procedure.

The procedure will:

- establish roles and responsibilities concerning the creation and modification of various types of documents
- ensure that documented procedures:
 - are located in established areas/offices and are available to those who may need them
 - are reviewed for adequacy after any incident or plant / process change which implicates the procedure, or as otherwise determined necessary (minimum annually – exceptions for facilities with over 100 procedures may be granted by the division operations manager)
 - are periodically reviewed, revised as necessary and approved for adequacy by authorized personnel (minimum annually)
 - are relevant, current and are available at essential operations
- ensure that obsolete documents are
 - promptly removed from all points of issue and points of use and destroyed or secured against unintended use
 - retained for legal or other purposes as specified by law, regulation, permit, Koppers Legal Department directive, plant procedure, etc.

Controlled documents will be:

- legible
- dated (with dates of revision)
- readily identifiable
- maintained in an orderly manner
- retained for a specified period (see “obsolete documents” above)
- approved by the responsible SH&E manager and/or facility manager

The documents that will be controlled are those that are required by this system or provide direction to employees and contractors on how to do something. The following is illustrative – there may be other controlled documents in a facility: manuals, policies, operating procedures, work instructions, emergency response plans, written programs (HAZCOM, respiratory protection, etc.), forms, documents of external origin (permits, regulations, etc.), any quality procedure that is being used as part of this SH&E Management System, and other documents.

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Controlled documents should be distinguished from records (discussed in §4.5.3), which are historical evidence that an activity has occurred. Records are managed by the record management procedures rather than document control. For example, a blank form is typically a controlled document. However, each filled-out form is a record.

Facilities that have established document control procedures from a quality system (ISO 9001, AAR, M1003, etc.) need not develop a separate procedure, but may incorporate SH&E issues into the existing document control procedure, so long as it meet the requirements stated above.

Section 4.4**System Requirements – Implementation and Operation****4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)****4.4.6 Operational Controls
(ISO 14001:1996 -- §4.4.6)****a. Facilities:**

Operational Controls are documented procedures, work instructions, programs (e.g., control of hazardous energy, confined space entry, contingency plans, etc.) and specifications that specify how to conduct activities and services that are associated with the identified hazards and aspects. Operational controls may also be physical controls on the system (i.e. electronic or mechanical devices or guards, secondary containment, etc.).

- Note that the activities and services associated with hazards and aspects are identified in accordance with the Significant Hazards and Aspects Procedure §4.3.1(c)(4).

Each facility establishes and implements the operational controls necessary to control identified significant hazards and aspects in order to meet objectives and targets and to maintain compliance at the facility. Operational controls will be identified on the Continuous Improvement Spreadsheet (see template – Appendix B).

A minor revision to an existing operating procedure, work instruction, plan or program may frequently be all that is needed for SH&E purposes. The fact that an existing procedure may have been designed for product quality or financial reasons does not disqualify it from being used to meet the requirements of the SH&E Management System as well.

b. Contractors:

Facilities consider placing controls on contractors / vendors where appropriate and communicating these controls to contractors / vendors. This may include

- Training (see §4.4.2c)
- Exclusion from designated areas of the facility
- Specifications to be followed
- Other restrictions or instructions, as necessary

Corporate / division purchasing managers have established certain criteria for contractors / vendors retained at that level. These requirements are stated in the conditions portion of the contract.

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System Requirements – Implementation and Operation

4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)

4.4.7 Emergency Preparedness and Response
(ISO 14001:1996 -- §4.4.7)

Each facility develops and maintains written emergency response, preparedness and prevention plans. These plans address applicable SH&E regulatory requirements and accommodate scenarios that are reasonably foreseeable at the facility.

Investigations and reporting of serious incidents should be coordinated with the Corporate Service Group (see also §4.4.3 – internal communications).

Facilities:

- review the plan annually
- test the plan as required by corporate or regulatory requirements (tabletop exercises, functional drills and full scale exercises)
- review and revise as necessary after significant incidents that require the implementation of the plan

All US facilities also comply with KII-SHE-014, Environmental Incident Communication Policy. Non-US Divisions will develop and implement a corresponding policy.

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System Requirements – Implementation and Operation

4.4 IMPLEMENTATION AND OPERATION (ISO 14001:1996 -- §4.4)

4.4.8 Employee Participation

Koppers firmly believes that employees are the driving force behind the implementation and maintenance of an effective SH&E Management System

Facilities ensure that employees are involved in planning, implementing and maintaining SH&E initiatives through involvement on an SH&E team.

The duties of an SH&E team are outlined in §4.4.1i.

Section 4.5

Checking and Corrective Action

4.5 CHECKING AND CORRECTIVE ACTION (ISO 14001:1996 -- §4.5)

4.5.1 Monitoring and Measurement (ISO 14001:1996 -- §4.5.1)

a. Definitions:

- **Monitoring** is a periodic performance check of an activity for nonconformance with the associated objective or target (e.g., checking DMR against permit limits, conducting inspections, etc.)
- **Measurement** is determining the quantity, quality, weight, extent, or duration of key characteristics. Key characteristics are essential elements or properties of an operation or activity contributing to the facility's significant hazards and aspects

b. Koppers Procedure

Each facility implements documented procedures or actions to monitor or measure its significant environmental aspects and safety hazards. This may be accomplished through:

- traditional SH&E parameters (e.g., lost time injuries, air emissions, measurement of permitted water discharge parameters, hazardous waste volumes, etc.)
- checking operating parameters (such as throughput, temperature or pressure)
- maintenance of legal requirements spreadsheets/tracking tool (see §4.3.2)
- inspection logs and records, including:
 - integrated Contingency Plan/SPCC required inspections
 - other corporate (and division) policies requiring inspections
 - monthly safety inspections
- activities of the SH&E Team and Team reports to management
- audits (internal and external; system and compliance - see §4.5.4 - auditing)
- the Koppers SH&E Observation and Contacts Program (KII-SHE-002)

Monitoring procedures or actions are entered on the Continuous Improvement Spreadsheet (see template – Appendix B). Alternately, facilities may develop a monitoring and measuring plan and refer to that plan on the Continuous Improvement Spreadsheet.

Each facility develops and implements a written procedure to ensure that all monitoring or measuring equipment associated with SH&E hazards and aspects (e.g., scales, gauges, meters, etc.) is calibrated and maintained. Facilities that have established calibration procedures from a quality system (ISO 9001, AAR, M1003, etc.) need not develop a separate procedure, but may incorporate SH&E equipment into the existing calibration procedure, so long as it meets the requirements of this manual

Section 4.5

Checking and Corrective Action

4.5 CHECKING AND CORRECTIVE ACTION (ISO 14001:1996 -- §4.5)

4.5.2 Nonconformance, Corrective & Preventive Actions (ISO 14001:1996 -- §4.5.2)

A nonconformance is the failure to conform to applicable legal or other requirements or SH&E Management System requirements (such as operational controls, procedures or job safety analyses (JSAs)).

In situations where the nonconformance involves actual or potential noncompliance with applicable legal requirements, all relevant legal requirements regarding reporting and corrective measures will be followed. Additionally, the appropriate SH&E management (corporate or non-US division) will immediately be notified (see Koppers Environmental Incident Communication Policy, KII-SHE-014 and Accident Reporting Policy, KII-SHE-008).

a. Corporate / non-US Division level

Corporate environmental managers will:

- (1) Monitor the submittal of all required reports to agencies and inform the Environmental Department Manager, Vice President, SH&E Affairs and GM of any missed submittals
- (2) Develop a corrective actions checklist for each audit and track the facility's follow-up or corrective actions
- (3) Monitor EPA consent agreements/NOVs or non-US Division equivalent requirements.

Corporate / safety managers will:

- (1) Monitor the submission of all worker compensation cases, property loss reports and accident investigation reports
- (2) Develop a corrective actions checklist for each audit and track the facility's follow-up or corrective actions
- (3) Monitor programs on any OSHA consent agreements/NOVs

Non-US Division environmental and safety managers will:

- (1) Monitor the submittal of all required reports to agencies and inform the GM of any missed submittals
- (2) Develop a corrective actions checklist for each audit and track the facility's follow-up or corrective actions
- (3) Monitor consent agreements/NOVs or non-US Division equivalent requirements.

b. Facility level

Section 4.5

Checking and Corrective Action

Each facility develops and implements a written corrective and preventive action procedure for handling, investigating, correcting and preventing the recurrence of nonconformances. This procedure includes:

- (1) identification of why the nonconformance occurred (in some cases, a root cause analysis may be necessary). Where established procedures have been violated, individual discipline is considered.
- (2) identification of the necessary corrective actions (as appropriate for the actual problem encountered), the person responsible for implementation and the deadline for implementation. A critical element of corrective action is changing documented procedures where necessary to avoid recurrence of the problem.
- (3) verification that the actions have been taken.

The procedure should also be flexible to allow for very simple corrections for minor nonconformances but also be sufficient to investigate and correct significant nonconformances.

Facilities that have established nonconformance procedures from a quality system (ISO 9001, AAR, M1003, etc) need not develop a separate procedure, but may incorporate SH&E corrective action requests into the existing nonconformance procedure, so long as the requirements of this section are followed.

Section 4.5

Checking and Corrective Action

4.5 CHECKING AND CORRECTIVE ACTION (ISO 14001:1996 -- §4.5)

4.5.4 Auditing (ISO 14001:1996 -- §4.5.4)

Audits are performed in accordance with the Koppers audit policy (KII-SHE-003).

a. System audits:

System audits evaluate whether the facility has fully and appropriately implemented the requirements of the Koppers SH&E Management System, including the compliance assurance elements of the system.

(1) Facility level

Each facility audits its SH&E Management System annually. The facility-conducted audit may be completed at one time or incrementally throughout the year (as described in KII-SHE-003). The results of these audits are reported to the facility manager and corrective action taken in accordance with §4.5.2.

Should the facility choose to deviate from the procedure established in KII-SHE-003, the facility must develop its own procedure for the audit that is, at a minimum, consistent with KII-SHE-003.

(2) Corporate level

The Corporate Services Group and non-US Divisional SH&E managers will coordinate the review of facility SH&E Management Systems through the ISO 14001 registration process, using an ISO 14001 registrar accredited by the appropriate national accrediting body, as follows:

- RAB accredited (US)
- JASANZ accredited (KA)
- British Standards Institute accredited (UK)
- Norsk Veritas (Denmark)

The results of these audits are reported to the facility manager and corrective action taken in accordance with §4 5.2. The results of these audits are periodically summarized and reviewed in the Executive Safety/Environmental Council meetings.

b. Compliance Audits / Evaluations

(1) Facility level

Section 4.5

Checking and Corrective Action

Facilities regularly evaluate their compliance through the monitoring and measuring procedures discussed in §4.5.1 of this manual. Corrective action is taken in accordance with §4.5.2.

(2) Corporate level / non-US Division

Corporate/non-US Division SH&E managers conduct informal compliance evaluations during periodic visits to facilities. The results of these evaluations are reported to the facility manager and corrective action taken in accordance with §4.5.2. Any significant non-compliance is reported to the division operations manager.

Third party compliance audits are conducted at a minimum biennially in accordance with the Koppers audit policy (KII-SHE-003). The results of these audits are reported to the facility manager and to operational management and corrective action is taken in accordance with §4.5.2. The audit results are also summarized periodically and presented to the Executive Environmental Council.

Results from both system and compliance audits are reviewed periodically by the Executive Council. Schedules are adjusted to conduct audits more frequently should the need arise.

Section 4.6 Management Review

4.6 MANAGEMENT REVIEW (ISO 14001:1996 -- §4.6)

Management (both facility and corporate/non-US Division) periodically reviews the suitability, adequacy and effectiveness of the SH&E Management System. The management review occurs at least annually, though it can be integrated with regular top management business reviews that occur on a more frequent basis. This review and actions taken as a result are documented.

Management review may cover:

- SH&E Management System compliance
- System audit results
- Performance against objectives and targets
- Compliance audit results and performance
- Status of corrective actions
- Change management - addressing the potential SH&E issues associated with planned changes in volume or nature of products and processes, operational changes, etc.
- Other topics as determined by the facility manager

Management considers, and where appropriate, makes changes to the SH&E Management System, within their level of authority, in light of the information obtained through management review.

Specific management review functions are detailed in the corporate Management Review Policy (KII-SHE-001). Non-US Divisions may modify the facility level reporting functions, as appropriate.

Responsibilities for management review are outlined in §4.4.1.

Appendix A

Generally Applicable Aspects and Hazards

APPENDIX A

Description of Koppers Generally Applicable Aspects and Hazards

AIR EMISSIONS

| | |
|--------------------|--|
| VOCs | The production and release of volatile compounds created from any from any process or activity at the facility |
| PM, NOx, CO, SOx | The production and release of air pollutants, other than volatiles, created by any process or activity at the facility |
| Nuisance dust | Release of fugitive dust created by any process or activity at the facility |
| Nuisance odor | Release of fugitive odor created by any process or activity at the facility |
| Fugitive emissions | Release of un-permitted fugitive emissions |

WATER DISCHARGE

| | |
|---------------------------|--|
| Process – direct (NPDES) | Contaminants in process water that is directly discharged off site |
| Process – indirect (POTW) | Contaminants in process water that is discharged through a publicly owned treatment works (POTW) |
| Stormwater | Contaminants in stormwater that is discharged off site |
| Sanitary | Contaminants in the discharge from water used for sanitary purposes |

WASTE GENERATION AND HANDLING

| | |
|---------------------|--|
| Hazardous | The generation of hazardous waste |
| Industrial/Residual | The generation of industrial - residual waste |
| Universal | The generation of universal waste |
| Municipal | The generation of municipal waste. Facilities may list materials specifically (packaging, office waste, yard waste, etc) |
| Recyclables | The generation and collection of recyclables (office materials, containers, laundering of uniforms) |

MATERIAL STORAGE / USAGE AND RELEASE POTENTIAL (tank systems, loading docks, warehouses, etc)

| | |
|--|--|
| Coal tar and derivatives (less creosote) | Maintenance and monitoring of tanks (UST/AST), piping and associated equipment to insure that material is not released |
| Creosote | |
| CCA | |
| Penta | |
| Miscellaneous Chemicals | |
| WWTP | Facilities may further segregate or list miscellaneous chemicals. |
| Boiler | |
| Lab | |
| Solvents | |
| Cleaners | |
| Paint | |
| Groundskeeping | |
| Miscellaneous gases | Maintenance and monitoring of storage yards to prevent releases |
| Other | |
| Treated wood | |
| Untreated wood | |
| Coal | |

NATURAL RESOURCE USE

| | |
|-------------|------------------------------|
| Wood | The use of natural resources |
| Oil | |
| Natural gas | |
| Electricity | |
| Coal | |
| Water | |

Appendix A

Generally Applicable Aspects and Hazards

| | |
|-------------------------------------|---|
| Propane | The use of natural resources |
| Fuels | |
| PROPERTY ISSUES | |
| Contamination | Contaminants from any legacy source that affect any media |
| Transformers (PCBs) | Release of PCBs from transformers |
| Noise | Production of noise |
| EQUIPMENT | |
| Hazardous operations | Moving equipment, flying debris, sparks, chips, pinch points, rotating parts, guarding issues, etc |
| Hazardous energy | Electrical, steam, pneumatic, hydraulic, lockout/tagout issues. |
| Rolling stock | Powered industrial trucks and railcars - training, inspection, PM. |
| WALKING AND WORKING SURFACES | |
| Elevated surfaces | Fall - different levels |
| Ground level | Slip / trip surfaces |
| FLAMMABLES / COMBUSTIBLES | |
| | Working with flammable / combustible materials |
| CHEMICAL AGENTS | |
| Airborne exposure | Inhalation hazard |
| Dermal exposure | Skin absorption / reaction hazard |
| PHYSICAL AGENTS | |
| Noise exposure | Hearing loss |
| Vibration | Raynards Syndrome - CTS |
| Asbestos | Asbestosis |
| Exposure to elements | Heat related illnesses, hypothermia, frostbite |
| Thermal exposure - equipment | Contact burns |
| Structural integrity | Property loss, production interruption, personal injury |
| Radiation | Exposure, lost sources |
| BODY POSITIONING | |
| | Working in a position that may cause bodily injury |
| UNSAFE CONDITIONS | |
| Confined space | Death, serious injury, entrapment, explosion hazard |
| TRANSPORTATION HAZARDS | |
| | Any delivery or pickup made by a Koppers vehicle and driver. This hazard is designed to capture non-incident, repetitive transportation issues (delivery of products / pickup of raw materials), not incidental use of company vehicles (though facilities may use it for that purpose at their discretion) |
| PROPERTY | |
| | Activities that may cause damage or loss of company property |

Appendix B
Template – Continuous Improvement Plan Spreadsheet

APPENDIX B
Continuous Improvement Plan Spreadsheet

This spreadsheet extract is included for illustrative purposes only and is not complete. The complete spreadsheet may be found on KopNet.

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Appendix B
Template – Continuous Improvement Plan Spreadsheet

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Appendix B Template – Continuous Improvement Plan Spreadsheet

| CORPORATE (1) | | | PLANT (6) | | | | |
|----------------------------------|-----------------------|--|---------------------------------------|--|----------------------------------|----------------------------|---------------------------------|
| Aspect / Hazard ⁽²⁾ | Significant (Y/N) (3) | Corporate Objectives and Targets (4) | Corporate Policies / Guidance (5) | Activities Impacting or Influencing this Aspect / Hazard (7) | Plant Objectives and Targets (8) | Monitoring / Measuring (9) | Control / Proposed Control (10) |
| AIR EMISSIONS | | | | | | | |
| VOCs | Y | Compliance | | | | | |
| PM, NOx, CO, SOx | Y | Compliance | | | | | |
| fugitive emissions (unpermitted) | N | None | | | | | |
| nuisance - dust | N | None | | | | | |
| nuisance - odor | Y | None | | | | | |
| WATER DISCHARGE | | | | | | | |
| Process - direct (NPDES) | Y | Compliance | | | | | |
| Process - indirect (POTW) | Y | Compliance | | | | | |
| Stormwater | Y | Compliance | | | | | |
| Sanitary | N | Not Applicable | | | | | |
| WASTE GENERATION AND HANDLING | | | | | | | |
| Hazardous | Y | (1) Compliance (2) Waste Minimization | Guidance for Waste Minimization Plans | | | | |
| Industrial/residual | Y | Compliance | Universal Waste | | | | |
| Universal | Y | Compliance | Facsheet | | | | |

Determination of Significance

The Determination of Significance Spreadsheet is used in conjunction with the Continuous Improvement Plan (CIP) spreadsheet. Values from the "Significant" column are transferred to the "Significant" column on the CIP. This spreadsheet extract is included for illustrative purposes only and is not complete. The complete spreadsheet may be found on KopNet.

Appendix B
Template – Continuous Improvement Plan Spreadsheet

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Appendix B

Template – Continuous Improvement Plan Spreadsheet

| Aspect / Hazard ⁽¹⁾ | Legal & Other Status ⁽²⁾ | Safety or Environmental Impact ⁽³⁾ | Legal Status ⁽⁴⁾ | Organizational concerns ⁽⁵⁾ | Risk ⁽⁶⁾ | Pollution Prevention ⁽⁷⁾ | Stakeholder Concerns ⁽⁸⁾ | Customer Concerns ⁽⁹⁾ | Explanation / Judgement ⁽¹⁰⁾ | Significant? ⁽¹¹⁾ |
|----------------------------------|-------------------------------------|--|-----------------------------|--|---------------------|-------------------------------------|-------------------------------------|----------------------------------|--|------------------------------|
| AIR EMISSIONS | | | | | | | | | | |
| VOCs | | releases to atmosphere; | Y | N | N | Y | Y | N | High level of regulation (some facilities), high potential for stakeholders concern | Y |
| PM, NOx, CO, SOx | CAA, NESHAPs permit | degradation of air quality | Y | N | N | Y | Y | N | Moderate to high regulation, high potential for stakeholders concerns | Y |
| fugitive emissions (unpermitted) | | | Y | N | N | Y | N | N | low/no regulation, no history of complaints from stakeholders, risk for Koppers | N |
| nuisance - dust | state nuisance laws | | N | N | N | Y | | N | low/no regulation, concern of stakeholders, risk for Koppers | N |
| nuisance - odor | | | N | N | N | | | N | | Y |
| WATER DISCHARGES | | | | | | | | | | |
| Process - direct (NPDES) | CWA, stormwater regulations permit | degradation of water (ground and surface) quality from improper drainage | Y | N | N | Y | Y | N | Moderate to high regulation, low concern by stakeholders, proper management necessary to avoid env impact | Y |
| Process - indirect (POTW) | | | Y | N | N | Y | N | N | Low regulation, low concern by stakeholders, biological systems - potential for exceedances, proper management necessary to avoid env impact | Y |

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WRITTEN BY: CSG
APPROVED BY: Walter Turner

CONTROLLED DOCUMENT NUMBER
KII-SHE-001

Walter Turner

SUBJECT: Management Review of SH&E Activities

SCOPE: US, KE, KA

PURPOSE:

The purpose of this policy is to provide the management of Koppers Industries sufficient data concerning the safety, health and environmental activities of the company in order to evaluate the proper functioning of the Koppers SH&E Management System and to make appropriate adjustments thereto.

This policy revises and replaces the Management Review policy dated June 18, 2002.

SCOPE:

This document applies to all US and Koppers Europe facilities.

Koppers Australia will develop and implement an equivalent document to this policy for KA operations.

POLICY:

1 The management of Koppers Industries periodically reviews the suitability, adequacy and effectiveness of the SH&E Management System through integration with regular management business reviews. In order to ensure that management is provided the information necessary to conduct a well-informed review, the facilities and staff departments report periodically, as follows

2 Facilities

- a The facility manager conducts a management review of the SH&E Management System at his facility at least annually. He may choose to review specific elements of the System or the System as a whole and will ensure corrective action is taken to address any deficiencies he finds in the System. The facility will document the review and corrective actions agreed upon as a result of this management review. Input from the management review may be provided for corporate management review, as requested
- b. The facility manager reports through the operational chain of management monthly in the form of an operating letter, which includes SH&E issues. **This letter is copied to the Corporate Environmental and Safety Managers / non-US Division SH&E Staff with responsibility for that facility.** The report will elaborate on the following issues as a minimum (the use of KII-FORM-SHE-001 is optional).
 - (1) Accidents/near misses/environmental incidents with root cause determination and corrective action taken/planned/lessons learned

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- (2) Regulatory agency inspections/inquiries/NOVs and corrective action and updates of open inspection/inquiry/NOV issues
 - (3) Community complaints (odor, noise, etc) and action taken
 - (4) Status of corrective action plans from audits
 - (5) Changes in facility operations affecting SH&E issues
 - (6) Property damage
 - (7) Crisis management/emergency response events/exercises and lessons learned
 - (8) Changes in facility operations affecting SH&E
 - (9) New best management practices developed/lessons learned
 - (10) SH&E Committee audits and investigations and corrective actions planned
 - (11) New operating procedures developed
 - (12) Community interaction activities (community advisory panel activities, meetings, open houses, etc)
 - (13) Awards from external organizations
 - (14) In December of each year, the facilities will report on the status of regulatory training for the year
 - (15) Other issues
3. Operational Management:
- a. Operational managers at Division level report monthly to the executive staff on significant safety and environmental issues for their areas of responsibility. These reports may include:
 - (1) A summary of releases, excursions and accidents
 - (2) Significant safety or environmental issues and the Division's action thereon
 - (3) Trends
4. Corporate / non-US Division SH&E Staff:
- a. The Environmental Department / non-US Division Environmental Staff:
 - (1) Reports monthly to the Vice President, Safety, Health and Environmental Affairs on significant environmental issues corporate / non-US Division wide. The report is also distributed to the executive staff. Issues may include:
 - (a) Corporate / non-US Division environmental performance statistics
 - (b) Adequacy of facility incident reporting, incident investigation, etc
 - (c) Compliance issues and corrective actions planned/on-going
 - (d) Issues being discussed with regulators
 - (e) Status of consent orders and enforcement actions
 - (f) Regulatory impact of changes in facility operations
 - (g) New regulations enacted or proposed, and impact thereof
 - (h) New best management practices/lessons learned
 - (i) Trade association activities and impact thereof
 - (j) Trends
 - (k) Additionally, reports quarterly on:
 - Status of remediation projects
 - Status of corrective action on audits
 - (2) Reports monthly to the Board of Directors on significant environmental issues.

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- (3) Reports quarterly to the SH&E Committee of the Board of Directors.
- (4) Recommends policy issues to the Executive Environmental Council / non-US Division equivalent.

b. The Safety Department / non-US Division Safety Staff:

- (1) Reports monthly to the divisions, executive management, and the facilities on safety issues at each facility and corporate / non-US Division wide, including:
 - (a) Safety performance, including but not limited to, case totals for lost and restricted work injuries, OSHA recordables and medical treatment cases and vehicular accidents.
 - (b) Trend analysis compared to previous year and current performance goals
 - (c) Summary and analysis of accident investigations including root causes and correctives actions.
 - (d) Adequacy of facility accident and near miss investigation and reporting.
 - (e) New regulations enacted or proposed and impact thereof
 - (f) Issues being discussed with regulators
 - (g) Trade association activities and impact thereof (ACCCI, Chemstar Naphthalene and PAA Panels etc.).
 - (h) Product safety/registration activities
 - (i) Status of NOV's /consent agreements
- (2) Reports monthly to the Board of Directors on significant occupational safety and health and product safety issues.
- (3) Reports quarterly to the SH&E Committee of the Board of Directors.
- (4) Recommends policy issues to the Executive Safety Council.

c. The Corporate Services Group (CSG) / non-US Division SH&E staff reports, immediately following receipt of a report, to the division management on the results of facility audits (management system audits, external compliance audits, property loss surveys, jurisdictional inspections) and any related insurance investigations/ recommendations. Summaries of audit results are provided to the Executive Safety / Environmental Councils (or non-US equivalent) quarterly.

- d. The Legal Department reports monthly to the CEO. This report will include a summary of issues with SH&E implications.
- e. The Engineering Department reports monthly to the executive staff in an operating letter. This letter will include a discussion of the status of projects that the department is working on, including those with SH&E implications.

5. Executive Staff:

- a. The Vice President for Safety, Health and Environmental Affairs:
 - (1) Reports to the CEO on SH&E issues daily
 - (2) Sits as a member the Executive Management Committee
 - (3) Reports to the Executive Management Committee on SH&E matters monthly
 - (4) Sits as a member of the Executive Safety and Environmental Councils
 - (5) Reports quarterly to the SH&E Committee of the Board of Directors

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- b. The Executive Environmental Council and Executive Safety Council
 - (1) Meet monthly to review significant SH&E issues and to determine corporate policy concerning SH&E issues.
 - (2) Conduct a review of the SH&E Management System at least annually. The Environmental and Safety Departments will present compliance statistics, a review of the System corporate wide, and recommendations for changes to the system. At the discretion of the Council, this review may include presentations by facility managers. This review, and corrective actions taken as a result, are documented.
6. SH&E Committee of the Board of Directors:
- a. Meets quarterly to discuss significant SH&E issues.
 - b. Provides oversight regarding SH&E affairs

DISTRIBUTION:

All SH&E Manual Holders
KopNet

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Exhibit 3
List of all Koppers Facilities as of September 2002

Alorton, IL
Clairton, PA
Denver, CO
Florence, SC
Follansbee, WV
Gainesville, FL
Galesburg, IL
Green Spring, WV
Grenada, MS
Guthrie, KY
Logansport, LA
Montgomery, AL
Monessen, PA
North Little Rock, AR
Portland, OR
Roanoke, VA
Somerville, TX
Stickney, IL
Susquehanna, PA
Superior, WI
Woodward, AL

Exhibit 4
Group 1 EMS Audit Facilities

Florence, SC
Follansbee, WV
Green Spring, WV
Stickney, IL
Woodward, AL

Exhibit 5
Group 2 EMS Audit Facilities

Alorton, IL
Clairton, PA
Denver, CO
Gainesville, FL
Galesburg, IL
Grenada, MS
Guthrie, KY
Logansport, LA
Montgomery, AL
Monessen, PA
North Little Rock, AR
Portland, OR
Roanoke, VA
Somerville, TX
Susquehanna, PA
Superior, WI

Exhibit 6

Compliance Auditing Schedule

Note: The order of facilities auditing in any particular year may be changed, but prior EPA approval is required before moving a facility from 2003 to 2004.

2003

Alorton
Monessen
Follansbee
Gainesville
Florence
Green Spring
North Little Rock
Portland
Superior
Susquehanna
Woodward

2004

Guthrie
Galesburg
Clairton
Somerville
Stickney
Grenada
Roanoke
Denver
Logansport
Montgomery

Exhibit 7



REVISION NUMBER: 0
EFFECTIVE DATE: 8/30/02

WRITTEN BY CSG

APPROVED BY Walter Turner

Walter Turner

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CONTROLLED
DOCUMENT NUMBER

KII-SHE-003

SUBJECT: SHEMS and Environmental Compliance Audits

SCOPE: US, KE, KA

PURPOSE:

This policy describes the program for conducting environmental compliance and SH&E Management System (SHEMS) audits at Koppers facilities. The purpose of this audit program is to determine if:

1. The subject facility conforms to applicable criteria/requirements, including compliance with legal requirements and the requirements of the Koppers SHEMS.
2. The applicable compliance and SHEMS requirements are understood, and are being properly implemented and maintained at the facility.
3. The internal management review process is capable of ensuring the continuing suitability, adequacy and effectiveness of the SHEMS.

SCOPE:

This document applies to all US and Koppers Europe facilities.

Koppers Australia will develop and implement an equivalent document to this policy.

POLICY:

1. Two types of audits are conducted at Koppers facilities:
 - **SH&E Management System (SHEMS) audits** are conducted to determine if the facility SHEMS, including the compliance assurance elements of the SHEMS, has been properly implemented and maintained, conforms to the corporate SHEMS manual and is functioning correctly, and to report on SHEMS performance to management. SHEMS audits are conducted:
 - a. At least annually by facility personnel
 - b. By third party auditors pursuant to the schedule necessary for the facilities to obtain and maintain certification to the ISO 14001:1996 EMS standard. CSG /non-US Division SH&E staff will select and retain the third-party EMS auditors. Auditors will be accredited by the U S Registration Accreditation Board or non-US equivalent.

Audits may be conducted more frequently based on the results of previous audits and other factors.

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- **Environmental compliance audits** are conducted to determine facility compliance with applicable federal, state, and local laws and regulations; permit requirements; consent orders and decrees; and internal corporate requirements. Environmental compliance audits are conducted:
 - a. By a third party independent auditor(s) (KA may conduct these audits internally) on a biennial basis.

2. Audit Management

- a. Scheduling:
 - Corporate level audits (SHEMS and compliance) are scheduled by the CSG / non-US Division SH&E Staff. In addition to the audit intervals already established, the schedule takes into account the nature of the operations being audited and the results of previous audits. The audit schedule is published annually.
 - Facility-level audits are scheduled by the facility manager.
- b. Protocol:
 - Compliance audits will be conducted in accordance with Appendix A (US facilities).
 - The third-party EMS audits are conducted pursuant to the selected firm's procedures (For US facilities, the procedures must be RAB-approved).
 - Facility SHEMS audits are conducted pursuant to either Appendix B or a facility-level procedure that meets the criteria of Appendix B.
- c. Reporting: Following the audit, results will be reported as follows:
 - Facility level SHEMS audits
 - complete results - to facility management
 - major system non-conformances must be reported to operations managers and CSG / non-US Division SH&E Staff
 - a "major non-conformance" is a non-conformance with EMS requirements that would lead to a conclusion that one of the required elements of the EMS is not present, or that there has been a significant breakdown in the implementation of a required element of the EMS
 - Third party audits (compliance and SHEMS)
 - to facility management and division management
- d. Corrective action:
 - Following all audits, corrective actions are determined and implemented through the facility level nonconformance procedure

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- e. **Executive management oversight:** Audit results are reported to executive management as follows:
 - Semi-annually, CSG /non-US Division Staff provides a summary of third-party audit results (compliance and SHEMS)
 - Annually, CSG / non-US Division Staff provides a review of audit findings and makes recommendations to improve audit process (compliance and SHEMS)
- f. **Records:**
 - Audit records are maintained in accordance with the Koppers Records Retention Manual and facility procedures

3. **Auditor qualifications:**

- a. The third-party auditing firm selected to conduct the SHEMS audits must be accredited by the U.S. Registration Accreditation Board to conduct registration audits against the ISO 14001:1996 EMS standard (US only).
- b. Third parties conducting compliance audits will meet the following minimum criteria:
 - Not a current or former employee of Koppers Industries
 - Does not own any stock in Koppers Industries, or in any parent or subsidiary
 - Has no direct financial stake in the outcome of the audit being conducted
 - Is capable of rendering an independent and informed evaluation of the state of compliance

RESPONSIBILITIES:

- 1. **Executive Environmental Council:**
 - Review audit summaries
 - Make changes to audit policy as necessary
 - Use audit results to direct changes to the SHEMS system
- 2. **Division Managers:**
 - Monitor the performance of audits at Koppers facilities.
 - Ensure corrective actions are made in response to audit findings.
- 3. **Facility Managers:**
 - Schedule facility level audits
 - Ensure that facility level audits are conducted in a timely manner
 - Develop and implement corrective actions in response to audit findings and report on the status of corrective action quarterly to the Operations Manager and CSG.

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- Ensure audits are properly documented and filed in accordance with Koppers Record Retention Manual and facility procedures.
4. CSG / non-US Division Environmental Managers will:
- Schedule audits:
 1. Select and provide oversight for qualified third party auditor(s)
 2. Schedule third-party SHEMS and compliance audits
 3. Ensure that third-party SHEMS and compliance audits are performed in a timely and productive manner and in accordance with established protocol
 - Accompany third party auditor(s) in order to:
 1. Participate in or direct pre/closing briefings as indicated in protocols
 2. Receive and review final audit reports
 3. Provide necessary support for corrective actions
 4. Provide direction and advice for managing issues where resources are limited
 - Provide training in conducting SHEMS audits for facility personnel
 - Review audit findings with Division Management
 - Brief Executive Management periodically, as part of management review
5. Auditor(s) / audit team members:
- Follow audit protocols
 - Prepare concise and accurate record of findings

RECORDS:

1. The following records are maintained in accordance with the Koppers Records Retention Manual and facility records procedures:
- Facility level SHEMS audit – maintained at facility
 - Third-party SHEMS audit – maintained at facility and CSG
 - Compliance Audit - maintained at facility and CSG
 - Facility Corrective Action Plan – maintained at facility

REFERENCES:

- Koppers SH&E Management System Manual
- Koppers Records Retention Program

Appendix A

Audit Protocol

Third Party Environmental Compliance Audits

This protocol has been developed to assure a thorough review of a facility's status relating to Environmental Compliance issues is conducted during the performance of scheduled audits. Implementation of this protocol will also assure that an appropriate evaluation is made of the facility's ability to discharge its environmental obligations

Scheduled audits will consist of the following steps summarized below. Implementation of various steps should be tailored to meet the objectives of the required audit.

PRE-AUDIT ACTIVITIES

Step 1 – Facility Notification – The audit of a facility will be initiated via notification from the VP, SH&E Affairs that the audit is being scheduled, accompanied by a request to produce pertinent documents.

Step 2 – Document Production – In accordance with the instructions contained in the notification letter, the facility will produce a list of all operating permits, legal orders, environmental plans, or similar documents which represent, to the best of the facility's knowledge, its environmental obligations, and the effective date of each document. The facility should use this step as an opportunity to present to the auditor(s) a comprehensive view of the environmental requirements for its operations. Each facility will be given two weeks to provide this information.

Step 3 – Auditor(s) Preparation – The auditor(s) will obtain a copy of the documents listed in step 2 (from CSG) for review. If a listed item is not available in the corporate files, a copy will be requested from the facility.

AUDIT ACTIVITIES

Step 4 – Site Visit – Opening Meeting – The auditor(s) will schedule a site visit with the facility manager to conduct the on-site audit. A total of three days will be allowed for the on-site audit, during which the auditor(s), accompanied by a member of K11's corporate environmental staff, will conduct an opening meeting during which the audit team will be introduced and the agenda for the visit discussed.

Step 5 – Collecting Audit Evidence – Following the opening meeting, the audit team will tour the facility to observe environmental conditions and controls, interview employees and on-site contractors as necessary. The audit team will also conduct a review of the facility's files to review record keeping and reporting practices, and complete the audit checklist.

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Step 6 – Evaluate Audit Evidence – The audit team will review the audit evidence to verify the compliance status of the facility. The team will ensure that audit findings are documented in a clear, concise manner and supported by audit evidence. Audit findings will be reviewed by the audit leader to verify the factual basis of all findings.

Step 7 – Closing Meeting – The on-site audit will conclude with a meeting with the facility manager (and personnel he designates), during which the findings of the audit will be discussed. The CSG representative and the facility manager will develop a corrective action list and responsibilities.

POST-AUDIT ACTIVITIES

Step 8 – Follow-up – Subsequent to the site visit, the auditor(s) will finalize the findings as appropriate, including any specific follow-up to questions, which may arise during the site visit. The findings will include the agreed upon action items that will be reviewed and tracked by KII.

Step 9 – Audit Report – The auditor(s) will prepare a report. The report will contain, at a minimum, the audit dates, auditor(s), scope of the audit, and the findings.

Step 10 – Distribution of Report – CSG will review the report with Division Management and provide a copy of the report to the facility manager. A copy will be maintained by CSG.

Step 11 – Corrective Action – Upon receipt of the report, the facility will implement the corrective action plan and schedule in accordance with the SH&E Management System nonconformance process (see SH&E Management System §4.5.2). The facility will update the corporate environmental manager and operations manager at least quarterly on the status of their corrective action.

Appendix B

Facility Level SHEMS Audit Protocol

A more detailed explanation of steps and procedures will be provided for audit personnel during training activities. Implementation of various steps should be tailored to meet the objectives of the audit.

PRE-AUDIT ACTIVITIES

So as not to disrupt operations, the facility audit may be conducted in parts throughout the year. The facility manager selects elements and/or departments to be audited quarterly. Facilities that choose to audit throughout the year must ensure that each SHEMS element is audited at least once annually. Alternately, the SHEMS may be audited in its entirety once annually. The SH&E Coordinator (or other designated audit team leader) conducts the audit and reports on the results of the audit to facility manager.

Step 1 - Selecting System elements for audit – The facility manager and facility SH&E coordinator identify the system elements to be audited. Alternately, the facility may choose to conduct a complete audit (covering all elements of the SHEMS) on one or more departments. Over the course of the year, all System elements should be audited at a representative sample of operations at the facility.

Step 2 - Selecting Audit Team Members – The facility manager designates the audit team, which may consist of the SH&E Coordinator and selected personnel from the SH&E team or other qualified auditors, as required by the scope of the audit (determined above).

Step 3 - Gathering system information - The SH&E Coordinator obtains the documentation relative to the system element(s) to be reviewed. This may consist of the corporate manual and procedures, facility level procedures, work instructions, job safety analyses, manufacturer's operating manuals, etc.

AUDIT ACTIVITIES

Step 4 - Pre-audit Meeting – The SH&E Coordinator discusses the audit plan with the audit team. This includes a discussion of the departments and/or elements of the system to be audited and each team member's assignment.

Step 5 - Collecting Audit Evidence – Each team member gathers evidence to identify and substantiate findings in accordance with the audit objectives. The evidence collected should be sufficient to verify the effective implementation of the SHEMS and to substantiate any findings that are identified. Evidence includes information gathered by reviewing documents, interviewing individuals and observing conditions at the facility.

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Step 6 - Evaluate Audit Evidence - The SH&E Coordinator (or designated lead auditor) reviews all the audit evidence to verify that the SHEMS elements being audited have been effectively implemented and determine where the facility does not conform to the SHEMS criteria.

Step 7 - Closing Meeting - The SH&E Coordinator (or designated lead auditor) conducts a meeting to brief the facility manager on the findings of the audit. Action plans to reconcile audit findings should be discussed/established.

POST AUDIT ACTIVITIES

Step 8 - Preparation of audit report - The SH&E Coordinator (or designated lead auditor) completes an audit report. The audit report should address the scope of the audit, identification of team members, facility contacts, findings, and corrective action planned. The audit report will be dated and signed by the SH&E Coordinator (or designated lead auditor).

Step 9 - Distribution of audit report - The audit report is provided to the facility manager. Any major nonconformance will be reported to the operations manager and the CSG.

Step 10 - Retention of the audit report - The audit report and corrective action plan are maintained in accordance with Koppers Records Retention Program and the facility records procedure.

Step 11 - Corrective Action Plan - A plan to include implementation due dates and follow up audit dates should be prepared by the facility manager based on audit findings to resolve nonconformance areas in a timely manner. The facility updates the Corporate Environmental Manager and operations manager quarterly on the status of their corrective action

United States District Court
Northern District of Alabama
April 7, 2003

* * MAILING CERTIFICATE OF CLERK * *

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